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LEGISLATIVE HISTORY

Public Law 87-824

H. R. 12855 (Title of Bill) as Enacted.

July 27, 1962	Senate Committee voted H. R. 12855
Sept. 4, 1962	Senate voted to report H. R. 12855
Sept. 26, 1962	Senate Committee reported H. R. 12855 with an amendment. H. Rept. No. 12855. Price of bill will remain.
Sept. 18, 1962	Senate voted H. R. 12855 as amended.
Sept. 19, 1962	H. R. 12855 was referred to the House Agriculture and Forestry Committee. Price of bill is unchanged.
Oct. 1, 1962	House Committee reported H. R. 12855 without amendment.
Oct. 4, 1962	Senate passed H. R. 12855 without amendment.
Oct. 12, 1962	Senate passed Public Law 87-824.

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Amendments to the Tariff Act of 1930 providing for the taxes and duties of tobacco between all tobacco growing countries and the U.S. and the
tobacco growing countries as well as tobacco products and other tobacco

- Aug. 9, 1962 Rep. Johnson, Wis., introduced H. R. 12855 which was referred to the House Agriculture Committee. Print of bill as introduced.
- Aug. 27, 1962 House subcommittee voted to report H. R. 12855.
- Sept. 12, 1962 House committee voted to report (but did not actually report) H. R. 12855.
- Sept. 15, 1962 House committee reported H. R. 12855 with an amendment. H. Report No. 2380. Print of bill and report.
- Sept. 18, 1962 House passed H. R. 12855 as reported.
- Sept. 19, 1962 H. R. 12855 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
- Oct. 1, 1962 Senate committee reported H. R. 12855 without amendment. S. Report No. 2222. Print of bill and report.
- Oct. 2, 1962 Senate passed H. R. 12855 without amendment.
- Oct. 15, 1962 Approved: Public Law 87-824.

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1282-9 Senate passed H. R. 1282 without amendment.	Oct. 2, 1962
1282-10 Abortion: Public Law 87-854.	Oct. 15, 1962

DIGEST OF PUBLIC LAW 87-824

EXEMPTION FROM TOBACCO ALLOTMENT LEASES AND TRANSFERS.

Amends Sec. 316 of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments (except burley) for the 1962 and 1963 crop years so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55, from this lease and transfer authority.

EXEMPTION OF CERTAIN TOBACCOS RELATING TO LEASE AND TRANSFER OF TOBACCO ACREAGE

U. S. DEPARTMENT OF AGRICULTURE
LAW LIBRARY
LEGISLATIVE REPORTING

HEARING

BEFORE THE

SUBCOMMITTEE ON TOBACCO

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS
SECOND SESSION

ON
~~12853~~
H.R. 12588 and H.R. 12910

AUGUST 27, 1962

Printed for the use of the Committee on Agriculture

Serial NN



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WASHINGTON : 1962

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DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 24, 1962.

Hon. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. COOLEY: This is in reply to your request of August 16, 1962, for a report on H.R. 12855, a bill to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

This Department has no objection to the enactment of this bill.

The bill would exclude cigar filler and cigar binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotments for the 1963 crop year from existing legislation which provides for the lease and transfer of tobacco (except burley) acreage allotments for the 1962 and 1963 crop years. Public Law 87-200, approved September 6, 1961, amended the Agricultural Adjustment Act of 1938, as amended, by adding a new section 316 providing for the lease and transfer of tobacco acreage allotments (other than a burley tobacco acreage allotment) for the crop years 1962 and 1963.

In reporting on the bill which provided for the lease and transfer of all tobacco acreage allotments, the Department recommended that its provisions be made applicable to all commodities for which marketing quotas were in effect. The bill was amended in the Senate to exclude burley tobacco. During 1962, tobacco allotments were leased and transferred from 20,240 farms. This represents about 7.5 percent of all farms with allotments, exclusive of burley. The acreage leased and transferred in 1962 represents about 3.2 percent of the total allotted acreage, exclusive of burley.

There is substantial underplanting of allotments for cigar filler and binder tobacco. The total acreage allotted for 1961 was 25,376 acres and 18,300 acres were grown. Thus, almost 28 percent of the allotments were not grown. For 1962, 804 allotments of cigar filler and binder tobacco have been leased and transferred. The total acreage leased is 1,363 acres, about 6.5 percent of the 1962 allotted acreage. Cigar filler and binder tobacco farm acreage allotments were reduced 15 percent for 1962 in order to adjust supplies to demand. Loan holdings of cigar-binder (types 54 and 55) tobacco on July 31, 1962, totaled 10,553,000 pounds, farm weight. No loans are outstanding on cigar-filler (types 42, 43, and 44) tobacco or type 53, cigar-binder tobacco.

In view of the traditional pattern of underplanting of allotments for cigar filler and binder tobacco, there is a possibility of increased unneeded production in 1963 through expanded use of the lease and transfer provisions.

The enactment of this proposed legislation would have no significant effect upon the expenditure of administrative funds or Commodity Credit Corporation capital funds.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

ORVILLE L. FREEMAN, Secretary.

Mr. ABBITT. Does everyone have a copy of the report?

Now, Mr. Todd, if you would go ahead.

STATEMENT OF JOSEPH J. TODD, DEPUTY DIRECTOR, TOBACCO DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. TODD. I am Joseph J. Todd, Deputy Director, Tobacco Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

Mr. ABBITT. We appreciate your coming over here to meet with us at this time.

Mr. TODD. Public Law 87-200, approved September 6, 1961, amended the Agricultural Adjustment Act of 1938, to provide for the lease and transfer of acreage allotments for all kinds of tobacco, except burley tobacco, for the 1962 and 1963 crop years.

In reporting on the bill and in testimony before this committee, the Department pointed out the need for more flexibility on not only the tobacco marketing quota program, but also on quota programs for other commodities. It was recommended that the bill be amended in two respects. First, it was recommended that it be made applicable to all commodities for which acreage allotments and marketing quotas are in effect. In the second place, it was pointed out that the Department feels that the sale of allotments, or their leasing for a period of years, would be preferable to leasing on a year-to-year basis.

As reported by this committee and passed by the House, the legislation provided for annual leases for 1962 and 1963 for all kinds of tobacco, but no provision was made for the transfer of allotments for other commodities. The bill was amended in the Senate to exclude burley tobacco. The House accepted the Senate amendment. Thus, the bill, as approved, provides for the lease and transfer of acreage allotments for all kinds of tobacco, except burley, on an annual basis for 1962 and 1963.

H.R. 12855 amends this legislation to exclude cigar filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotments for the 1963 crop year.

Mr. ABBITT. It is all related to the cigar filler and cigar binder, as far as the bill is concerned?

Mr. TODD. Yes.

Thus, under this bill cigar filler and binder tobacco would be treated the same as burley tobacco in 1963; that is, there would be no provisions for the lease and transfer of cigar filler and binder tobacco acreage allotments for 1963.

During 1962, tobacco allotments were leased and transferred from 20,240 farms. This represents about 7½ percent of all farms having tobacco allotments, exclusive of burley tobacco. The total acreage leased and transferred in 1962 represents about 3.2 percent of the total allotted acreage, exclusive of burley. These totals do not include 31 additional late-filed leases covering 47.78 acres under Public Law 87-530, approved July 10, 1962. None of the late-filed leases submitted for the approval of the Secretary pertain to cigar filler and binder tobacco.

There is substantial underplanting of allotments for cigar filler and binder tobacco. The total acreage allotted for 1961 was 25,376 acres and 18,300 acres were grown. Thus, almost 28 percent of the allotments were not grown. For 1962, 804 allotments of cigar filler and binder tobacco have been leased and transferred. The total acreage leased is 1,363 acres, about 6.5 percent of the 1962 allotted acreage.

Cigar filler and binder tobacco farm acreage allotments were reduced 15 percent for 1962 in order to adjust supplies to demand. Loan holdings of cigar-binder (types 54 and 55) tobacco on July 31, 1962, totaled 10,553,000 pounds, farm weight. No loans are outstanding on cigar-filler (types 42, 43, and 44) tobacco or type 53, cigar-binder tobacco. In view of the traditional pattern of underplanting of allotments for cigar filler and binder tobacco, there is a possibility of increased production in 1963 through expanded use of the lease and transfer provisions.

The Department has no objection to the enactment of H.R. 12855.

Mr. ABBITT. Well, you would say, then, it might help the situation out there?

Mr. TODD. Yes, sir.

Mr. ABBITT. You have what percentage were leased this time, roughly?

Mr. TODD. On these kinds?

Mr. ABBITT. Yes; just these kinds.

Mr. TODD. 6.5 percent of the allotted acreage was leased and transferred.

Mr. ABBITT. And they did take a 15-percent reduction this year?

Mr. TODD. We took a 15-percent reduction in allotments, but the indicated acreage is not down 15 percent.

Mr. ABBITT. That might be contributed to by the fact that they can lease and plant land that ordinarily would not be planted.

Mr. TODD. As I understand the situation up there, and these gentlemen from Wisconsin are in a better position to state it than I am, the two things run at loggerheads, that if we need a reduction, although no one likes to take a reduction, I think the folks up there were reconciled to the fact that an adjustment is needed. Then this thing comes along and offsets to a certain extent the effect of the reduction in allotments.

Mr. ABBITT. Any questions?

Mr. MATTHEWS. One question. Is this type of tobacco grown anywhere except in Wisconsin?

Mr. JOHNSON of Wisconsin. Ohio.

Mr. TODD. There is a little small acreage in Minnesota. There are three farms in Illinois with a total allotment of $5\frac{1}{3}$ acres, Indiana has 2, with a little over an acre; Iowa has 1, 7 acres; Minnesota has 119 allotments with 198 acres.

New York has 71 allotments, 58 acres.

Ohio has 4,667 acres; Wisconsin 15,824 acres.

Pennsylvania has 201 acres.

Mr. ABBITT. So it is actually Wisconsin and Ohio the main ones?

Mr. TODD. Substantially Wisconsin and Ohio; yes.

Mr. ABBITT. Any other questions?

Mr. THOMSON?

Mr. THOMSON. No, sir; thank you, Mr. Chairman.

Mr. ABBITT. Mr. Johnson, do you have any questions?

Mr. JOHNSON of Wisconsin. No, thank you.

Mr. ABBITT. Would you like to be heard at this time?

STATEMENT OF HON. LESTER JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to introduce to the committee Mr. Clark Johnson of Viroqua; Mr. George Nettum, general manager of the Northern Wisconsin Tobacco Cooperative Tobacco Pool; and Mr. Eugene Bergum, from Edgerton, and Mr. KasaKaitas, of the Wisconsin Farm Bureau.

Then I understand he is not with my group, but Morris Allton is here for the Ohio Farm Bureau in favor of the legislation.

Mr. Chairman, I first heard about this situation when I received a letter from the Wisconsin Farmers Union on June 25 and the Wis-

consin Farm Bureau on June 30, telling me of this problem. I corresponded with them and I told them that if tobacco cooperatives in Wisconsin were in favor of legislation, I would be glad to introduce it. I corresponded with the tobacco cooperatives and received a letter from both cooperatives saying they were in favor of the legislation. I introduced it at that time.

Mr. Chairman, I want to thank you for holding these early hearings of H.R. 12855, a bill which I introduced in the House of Representatives on August 9 of this year. Under the provisions of the measure, cigar-filler and cigar-binder tobacco would be exempted from the 1963 tobacco allotment leasing program. Included in this category are types 42, 43, 44, 53, 54 and 55 tobacco.

Tobacco growers in my home State of Wisconsin raise types 54 and 55 tobacco, and they are unanimous in their support of this legislation. Directors of the Northern Wisconsin Cooperative Tobacco Pool of Viroqua, Wis., unanimously approved a resolution which reads as follows:

Resolved, That the board of directors of the Northern Wisconsin Cooperative Tobacco Pool go on record as being opposed to the lease and transfer of tobacco acreages for 1963 and that they encourage Members of our U.S. Congress to take the necessary action to have Wisconsin excluded from this law.

George E. Nettum, general manager of this tobacco cooperative, has made the trip from Wisconsin in order to testify at these hearings, as has Mr. Bergum from Edgerton and Mr. KasaKaitas for the Wisconsin Farm Bureau.

Mr. Chairman, I have also had considerable correspondence with Eugene Bergum, manager of the Wisconsin Cooperative Tobacco Growers Association, of Edgerton, Wis. He wrote:

Our association has always been opposed to the tobacco allotment leasing provision. We thank you kindly for the help you are offering the tobacco grower.

Mr. Bergum is here today to present this association's views on the subject.

At the recommendation of the tobacco committee of the Wisconsin Farm Bureau Federation, that group's board of directors adopted a resolution requesting Congress to take the action outlined in my bill. William KasaKaitas, secretary of the Wisconsin Farm Bureau, will be testifying at the hearings today.

In addition, I understand that the Ohio tobacco growers, who raise types 42, 43, and 44 tobacco, are also in favor of excluding these types of tobacco from the allotment leasing program.

It is my opinion—and the opinion of the tobacco growers I have mentioned—that the allotment leasing program in cigar-filler and cigar-binder tobacco is operating against the intent of the tobacco program. The present supply and demand situation in these types of tobacco required Wisconsin growers to take a 15-percent cut in allotments in 1962. However, this reduction has been offset to a large extent by the leasing of tobacco acreage allotments that are not being used on the farms to which they have been allotted.

Mr. Chairman, in 1961, only 71.8 percent of Wisconsin's total tobacco acreage allotment of 19,110 acres was used for harvest. During that year, 2,159 of the 6,619 farms with tobacco allotments grew no tobacco at all. However, in 1962, tobacco allotments from 581 farms have

been leased to 678 farms in the State. These leases involved 921.05 acres of tobacco land.

To put it another way, 8,300 acres of northern Wisconsin—or type 55—tobacco were harvested in 1961. According to a U.S. Department of Agriculture estimate made on July 1 of this year, around 7,500 acres of type 55 tobacco will be harvested in Wisconsin this fall. This acreage represents about a 10 percent reduction over 1961—which is 5 percent short of the required 15 percent allotment reduction.

As far as southern Wisconsin—or type 54—tobacco is concerned, it was harvested on 5,400 acres in 1961. This year, an estimated 4,900 acres of type 54 tobacco have been planted. This reduction falls short of the desired cut of 15 percent by better than 5 percent. Since Wisconsin tobacco raisers have had an excellent growing season, it is safe to assume that the supply of cigar-binder and cigar-filler tobacco will exceed the demand by better than 5 percent. As a result, tobacco growers will be faced with an even greater reduction in allotments for 1963.

Mr. Chairman, we are all well aware that even a 5-percent excess supply can upset markets, drive down prices and create a surplus which could endanger the stable system we have established through the tobacco program.

It has been a very successful program, which, over the years, has enabled tobacco farmers to receive close to 90 percent of parity for their product without substantial cost to taxpayers. Tobacco farmers have demonstrated their willingness to adjust supply to demand in order to get a fair price in the marketplace. Their support of this program is evidenced by the fact that 95.4 percent of the tobacco growers voting in the 1960 Wisconsin tobacco referendum approved a tobacco supply-adjustment program covering the next 3 years.

Our present difficulty in the cigar-binder and cigar-filler tobacco area arises not because the tobacco growers have been unwilling to make the required 15 percent cut in production, but rather because the new tobacco allotment leasing provision encourages them to lease unused allotments and bring them back into production.

This situation works a hardship on the regular grower, who has made the required reduction in production and is left with an uneconomic unit and the unhappy choice of either bidding against others for whatever acreage is available for lease—or else retiring from active tobacco growing and leasing his allotment to those who remain.

Obviously, this arrangement introduces an unnecessary cost factor into tobacco production. Furthermore, it tends to discriminate against the smaller farmer who does not have the ready cash necessary to successfully bid for the allotments which are available for lease.

Mr. Chairman, the tobacco allotment leasing provision is not operating in the best interest of the producers of cigar-filler and cigar-binder tobacco. Matter of fact, it is working in this area against the worthwhile purpose of supply adjustment which is the intent of the tobacco program. It seems absurd to foster a situation where, on one hand, reductions in allotments are required in order to balance supply with demand while, on the other hand, unused allotments are allowed to be leased and brought back into production.

Our Wisconsin tobacco growers are rightly concerned over the fact that continuation of the leasing provisions will require greater reduc-

tions in allotments to accommodate the unused acres brought back into production through leasing arrangements. I respectfully urge that favorable action be taken as soon as possible on H.R. 12855 so it may come before the House before the adjournment of this Congress. Since this legislation applies to the 1963 tobacco program, the need for early action is abundantly clear.

In conclusion, I would like to introduce to my colleagues on the House Agriculture Committee the Wisconsin witnesses who will be testifying shortly. They are: George Nettum, general manager of the Northern Wisconsin Cooperative Tobacco Pool; Eugene Bergum, manager of the Wisconsin Cooperative Tobacco Growers Association; and William KasaKaitas, Secretary of the Wisconsin Farm Bureau Federation.

Thank you.

As long as we have this quorum call, I also want permission to introduce a statement from the Wisconsin Farmers Union in favor of the legislation.

Mr. ABBITT. Without objection, that will be done.

(The document referred to is as follows:)

STATEMENT OF WISCONSIN FARMERS UNION

Wisconsin Farmers Union is in favor of the bill introduced by Congressman Lester Johnson (Ninth District, Wisconsin), which would discontinue the transfer of cigar binder and filler tobacco allotments between farms. Under the lease and transfer law operating in 1962 a tobacco farmer could lease up to 5 acres of allotment from other farms in the county.

Nearly 30 percent of the 1961 allotment acreage was not grown. When such unused allotment is transferred to another farm, it offsets some of the 15-percent overall allotment acreage reduction required by the allotment and quota law this year.

The lease and transfer legislation will apply again in 1963 unless such an amendment such as that introduced by Congressman Johnson is adopted.

In 1962, 678 farmers leased 1,034 acres of allotment. This was the first year such leasing was permitted and many farmers were not aware of it. By 1963, many more farmers could learn about this leasing and plant an even greater part of the otherwise unused tobacco allotment acreage. This would offset the efforts of many growers who in good faith plant within their original acreage allotments as their part in bringing supplies in line with demand.

Presently, tobacco supplies are greatly in excess of demand. We have approximately a 4-year supply on hand. A 2- to 3-year supply is considered sufficient for aging and processing.

The lease and transfer provisions, approved last year, we believe, are contrary to the supply management of the overall allotment and quota law. We feel that all groups in Wisconsin which are genuinely interested in a sound and fair tobacco program should support Congressman Johnson's measure.

Mr. JOHNSON. And I have a letter here from the Tobacco Farm Cooperative in Miamisburg, Ohio, in favor of the legislation, which I would like to put in.

Mr. ABBITT. Without objection.

(The document referred to is as follows:)

CIGAR TOBACCO COOPERATIVE,
Miamisburg, Ohio, August 23, 1962.

Hon. Congressman LESTER R. JOHNSON,
Ninth District, Wisconsin,
House Office Building, Washington, D.C.

DEAR SIR: I am general manager of the Cigar Tobacco Cooperative, Inc., which is an organization of the Ohio Miami Valley Tobacco Growers, organized for the purpose of handling the Federal Government support program for types 42, 43 and 44 tobacco and to promote the general welfare of the tobacco growers, either through support or opposition to any legislation which affects them.

Am recently informed that you have a bill prepared and will soon be called on to testify in its behalf.

The bill which I refer to is the one that would exempt types 42, 43, and 44 tobacco, along with other Wisconsin types from being included in the lease acreage law which now is in effect.

Sincerely believe I speak for the board of directors of the cooperative and the great majority of the Ohio growers when I say that, we in Ohio wholeheartedly support you in your efforts. Would be very happy to do anything you suggest as necessary to help in promoting this legislation.

Thank you a lot for your interest in this most pressing problem.

Very truly yours,

ROBERT COOL, Manager.

Mr. MATTHEWS. Mr. Chairman, may I make this suggestion? If you can keep on excusing the members one at a time we can finish this hearing.

Mr. ABBITT. Would you preside until I get back?

Mr. MATTHEWS (presiding). I will call Mr. George Nettum, manager of the Northern Wisconsin Tobacco Pool of Viroqua, Wis.

Mr. Nettum, we will, without objection, make your statement a part of the official record and you can read it or speak from it if you desire.

Mr. JOHNSON. Off the record.

(Discussion off the record.)

Mr. MATTHEWS. On the record.

You may proceed, Mr. Nettum.

STATEMENT OF GEORGE NETTUM, GENERAL MANAGER, NORTHERN WISCONSIN COOPERATIVE TOBACCO POOL, VIROQUA, WIS.

Mr. NETTUM. I am George Nettum, general manager of the Northern Wisconsin Cooperative Tobacco Pool, Viroqua, Wis. My appearance here is on behalf of the board of directors and about 2,000 member growers of cigar-type 55 tobacco.

Our cooperative has always been opposed to the lease and transfer of tobacco allotments since the initial hearing was held on H.R. 1022, June 22, 1961.

After reviewing the supply-demand information gathered by the USDA Tobacco Division, the Secretary of Agriculture saw fit to reduce the acreage allotments by 15 percent for all type 55 producers. Our growers were informed of this through allotment-card notices and were making plans for their 1962 planting accordingly.

A short time later they were told, that through Public Law 87-200, they would be permitted to lease and transfer tobacco from growers not using their allotments up to a maximum of 5 acres. Needless to say, our growers were confused and disturbed.

How could a cut in acreage be warranted for all allotments, and then lease and transfer be authorized to them on a voluntary basis at the same time? Some growers refused to lease; if a cut was warranted, they would stick by it. Others readily leased; tobacco being their best cash crop, their income would go up if their acreage could be increased even though the supply exceeded the demand. According to present law, this is legal and we can appreciate their reasoning.

We feel the allotment program has worked in Wisconsin and would hate to see it voted out. We are concerned that this is exactly what would happen if the situation is not changed by H.R. 12855 which excludes our type of tobacco from lease and transfer.

The other possibility would be to further cut the allotments of all growers next year if our production remains greater than demand.

As it now stands, all growers suffer for the surplus caused by the growers who leased additional acres. This would make the program unpopular and be a key reason for voting it out.

It is our opinion in Wisconsin that Public Law 87-200 defeats the purpose of the allotment program during periods of sufficient supply. If our tobacco were in short supply, the acreage allotment would be increased. This has happened in the past and makes for flexibility.

The main purpose of Public Law 87-200, it seems, was to take care of tobacco farms that were being sold for housing and real estate development and which would be taken out of production forever. In this case, the allotments for those particular farms should be leased or transferred to new farms, especially if the particular type of tobacco was in short supply.

This is not the case in Wisconsin, nor is it likely to be in the foreseeable future to any great extent, since the tobacco producing areas of the State are removed from industrial centers.

On behalf of the Northern Wisconsin Co-Operative Tobacco Pool, I would like to thank the chairman and members of the Committee on Agriculture for this opportunity to express our keen interest in support of this bill.

Mr. MATTHEWS. Thank you very much, Mr. Nettum.

Are there any questions that the members of the committee would like to ask?

Mr. Dague?

Mr. DAGUE. I have no questions.

Mr. MATTHEWS. Mr. Short?

Mr. SHORT. No.

Mr. MATTHEWS. Mr. Johnson, any questions?

Mr. JOHNSON of Wisconsin. If there are no questions, I would like to introduce—he has not a prepared statement—J. Clark Johnson, who represents the members of the tobacco pool.

I think he would like to tell the committee you are in favor of the legislation.

Mr. MATTHEWS. Thank you, Mr. Nettum.

Mr. Johnson, you may come forward.

STATEMENT OF J. CLARK JOHNSON, TOBACCO GROWER, VIROQUA, WIS.

Mr. J. CLARK JOHNSON. I am Clark Johnson, a tobacco grower, from Viroqua, Wis., too. I think I would like to say that I am in favor of the bill, and I think most of the tobacco growers in our area would be in favor of the bill. We would hate to upset the allotment program as it has been fixed up.

Anything you gentlemen can do certainly would be appreciated.

Mr. MATTHEWS. Thank you, Mr. Johnson. Any questions?

Mr. JOHNSON of Wisconsin. Mr. Bergum.

Mr. MATTHEWS. I will turn the meeting over to our chairman.

Mr. ABBITT (presiding). When Mr. Johnson finished you had gone to answer the rollcall, Mr. Thomson, so we did not call you at that time.

Congressman Thomson, we appreciate your interest in tobacco and your being with our committee. You have been most helpful to us and I am deeply grateful.

**STATEMENT OF HON. VERNON W. THOMSON, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF WISCONSIN**

Mr. THOMSON. Thank you, Mr. Chairman. Thank you, Mr. Bergum.

I have a natural interest in the welfare of the tobacco growers of Wisconsin, because most of them live in the district which I represent.

Mr. ABBITT. I understand that you had mostly tobacco.

Mr. THOMSON. As a matter of fact, in the growing of type 55, there are more than 3,000 growers that live in my congressional district, as compared to 78 growers that live in the Ninth Congressional District, represented by Mr. Johnson, and 75 growers that he represents produce 100 acres of type 55 tobacco.

So it is with some reason that I have an interest in this problem.

I met with Mr. Nettum and George Nygard, of the tobacco pool, last winter when the industry was down here. Last year I went down to a meeting at the Department of Agriculture with them when Joe Williams, of course, was in charge of this Division. When I was Governor I invited Joe Williams out to Wisconsin, where he met with both the type 54 and 55 growers over some problems that were most irritating to them at that time.

And Joe, you were there, too.

Mr. TODD. I was there, too.

Mr. THOMSON. We had a real spirited discussion of the problems of the tobacco farmers. That was back in 1958. When this question came up through a resolution of the Farm Bureau, asking that the right to lease allotments be discontinued in 1963, I did not write to the Wisconsin Farm Bureau, I wrote directly to the Wisconsin Northern Cooperative Tobacco Pool in Viroqua, Wis., and asked them their position, because naturally, I did not want to initiate or support legislation that they were not wholly in accord with.

I received a reply from them on the 17th day—the letter was written on the 17th day of July—saying that they could not take a position until they had conferred with the growers in Ohio because of the inter-related use of the product. So I waited until the 8th day of August and then I received a letter from Mr. Nettum of the Northern Tobacco Pool, in which he stated that they had passed a resolution supporting this proposal. I took the letter to Mr. Cooley, and asked him if he could initiate some prompt action on this subject.

He said, "I would like to take the letter for a day or two," and on the 11th of August, I got a reply from Mr. Cooley, in which he said that he thought it might be well to let the thing go on because that only had another year to run, but he understood that Mr. Johnson was introducing the bill which is now 12855.

Then I went to the Honorable Billy Matthews on the floor, because he had been the father of this idea for lease and transfer and told him of the desire of the people in my area to eliminate this provision from the law. He asked me to write him a letter, which I did, and he replied that he would have no objections if the people in Wisconsin wanted to delete this particular section from the law.

I thereupon introduced the bill which is also before the committee today, because I thought we should eliminate from subsection (b) the reference to leasing in 1963 by agreement between the parties who already had leases in effect. I thought if the law was to be effective, we should delete any reference to a provision authorizing renewal of leases that were already in existence.

So I am very pleased, of course, to have the interest that has been expressed in this legislation on behalf of so many people that I represent in Wisconsin.

I became indoctrinated in the tobacco business 30 years ago when I left the University of Wisconsin and went to Viroqua to teach school. I learned about the tobacco business because that is one of the principal cash crops in that entire area.

I appreciate, Mr. Chairman, the chance to come here and express on behalf of my constituents their real desire to have speedy enactment of this legislation.

Mr. ABBITT. Thank you very much. We appreciate so much your coming. As I say, you have been most helpful to us and we are grateful indeed.

Mr. SHORT. I might say, Mr. Chairman, I went through Congressman Thomson's district a few days ago and was interested to see the many small fields of tobacco.

Mr. ABBITT. Now we have Mr. Bergum.

We appreciate very much your coming down. We are glad to have you.

STATEMENT OF EUGENE BERGUM, MANAGER, WISCONSIN COOPERATIVE TOBACCO GROWERS ASSOCIATION, EDGERTON, WIS.

Mr. BERGUM. Thank you, Mr. Chairman. My name is Eugene Bergum, manager of the Wisconsin Cooperative Tobacco Growers Association at Edgerton, Wis., representing approximately 1,700 tobacco growers producing approximately 9 million pounds of tobacco per year.

I represent the Southern Wisconsin Tobacco Growers. Our type is known as type 54.

Our board of directors, at our last meeting, went on record unanimously approving the bill offered by Congressman Lester Johnson, which bill is known as H.R. 12855, which bill has been drawn to discontinue the leasing of tobacco allotments in Wisconsin.

Our board opposed the leasing of tobacco allotments in southern Wisconsin because there is a 4-year supply of southern Wisconsin tobacco on hand, and as a result of this 4-year reserve, the Department of Agriculture last year reduced all Wisconsin tobacco allotments 15 percent. That reduction in allotment would have gone a long way toward reducing our carryover of tobacco stocks and should have helped our marketing conditions considerably.

After our tobacco allotment had been reduced 15 percent, the growers of tobacco in other areas in the United States made application to Congress for the right to lease tobacco allotments.

We realize that such a privilege would have an effect of bringing a large amount of our unused tobacco acreage allotment back into

production because the farmer who did not raise his allotment in the past would lease it to somebody who would raise tobacco in 1962. That is just what happened. We find that at least 7½ percent of the tobacco raised in southern Wisconsin this year was raised on allotments that were not used in 1961, and the end result is that after reducing our allotment 15 percent, we are going to have less than one-half-percent reduction in production of tobacco in southern Wisconsin in 1962.

A year ago, at the time this new leasing program was being considered by Congress, our board of directors asked that southern Wisconsin tobacco be excluded from the leasing program. In spite of the fact that we asked to be excluded from the leasing arrangements, southern Wisconsin tobacco was forced to go under the leasing program, but the bill that permitted the leasing of tobacco made a special provision for the State of Kentucky and excluded them from the leasing arrangements, and also made a special provision for the State of Maryland. In Maryland no allotment could be leased in 1962 if at least 75 percent tobacco had not been grown under it in 1960 and 1961.

I would like to take this opportunity to thank you in advance for whatever measures might be taken to discontinue the tobacco allotment leasing program in Wisconsin, thus allowing our tobacco quota program to again work on a sound basis.

Mr. ABBITT. Mr. Bergum, we appreciate your testimony and hope we can get the matter worked out.

Mr. JOHNSON of Wisconsin. I have Bill KasaKaitas here, William KasaKaitas.

Mr. ABBITT. We will be glad to hear from him.

STATEMENT OF WILLIAM KASAKAITAS, SECRETARY-TREASURER, WISCONSIN FARM BUREAU

Mr. KASAKAITAS. My official capacity is secretary-treasurer of the Wisconsin Farm Bureau.

Mr. ABBITT. That is a very important position, I would say.

Mr. KASAKAITAS. We appreciate the opportunity to present the views of the Wisconsin Farm Bureau and the recommendations of the Tobacco Committee of the Wisconsin Farm Bureau representing Wisconsin tobacco growers with regard to H.R. 12855 relating to the lease and transfer of tobacco allotments.

This bill suspends for the 1963 crop season the tobacco acreage allotment leasing programs under Public Law 87-200 for cigar-filler and cigar-binder tobacco types 42, 43, and 44 grown in Ohio, 53 grown in New York and Pennsylvania, and 54 and 55 grown in Wisconsin and Minnesota.

Prior to the enactment of Public Law 87-200 the tobacco acreage allotment and marketing quota program was operated under the concept that tobacco allotments are attached to the land. The allotment went with the farm when the property was sold or divided if a part of the farm were sold.

This concept has had the overwhelming approval of tobacco growers in Wisconsin. The only transfer of tobacco allotments permitted over the years has been for farmowners who were displaced when their

farms were retired from agricultural production through acquisition by a governmental or other agency having a right of eminent domain. The ideas contained in Public Law 87-200 represent a sharp departure from the traditional concept of attaching allotments to the land by allowing tobacco acreage allotments to be separated from the land and transferred by lease to other growers for the 1962 and 1963 crop years.

The consensus of opinion among tobacco growers in Wisconsin is that these provisions are not in their best longtime interests.

Lease and transfer arrangements tend to negate the efforts of tobacco growers to adjust production to market demand.

Wisconsin tobacco growers were forced to take a 15-percent reduction in their allotments for the 1962 crop year. However, reducing the tobacco allotments by 15 percent does not in itself result in reduced production, since the law allows farmers with unused allotments to lease and transfer them to other farmers who are anxious to increase production on their individual farms. Furthermore, it is very probable that the transferred allotments would be used on better grade land by more skilled growers which would result in increased production.

No adjustments are made on the transferred allotments if they are used on land the productivity of which is not more than 10 percent above the land from which the allotment was transferred.

Over 28 percent of the Wisconsin tobacco allotments were unused in 1961. This is a total of 5,387 acres on 2,159 farms which could be leased and transferred to other farms under Public Law 87-200 and brought back into production.

The total tobacco acreage allotted to all farms in Wisconsin for 1962 is 15,824 acres and allotments were established for 6,550 farms. USDA records show that under provisions of Public Law 87-200 allotments were leased from 581 of these farms and the total acreage transferred was 1,034 acres.

I might just depart for a moment from my transcript here and indicate that a special check was made in Dane County, Wis., by the State ASC committee and that special check indicated that 73.8 percent of the allotment acreage leased had not been grown in 1961. This percentage in all other counties is likely to be higher, because Dane County grew 79 $\frac{1}{10}$ percent of its allotment in 1961, while the other counties grew less than 70 percent of their total allotted acreage.

According to the Wisconsin Crop Reporting Service, the Wisconsin tobacco acreage planted for harvest in 1962 is estimated to be 12,400 acres. This represents a reduction of less than 10 percent of the actual acres harvested in 1961. We sense here the offsetting effects of the leasing program on the 15 percent forced reduction in allotments, especially when we realize that a part of the estimated reduction in plantings this year was due to abnormal weather during planting time.

Many growers did not learn of all the details of the lease and transfer provisions to take advantage of them in time for 1962. Unless the law is amended, we can definitely expect much heavier participation in the lease and transfer program in 1963, as more growers become better acquainted with the provisions.

Moreover, it should be noted that the lease and transfer device preserves the allotment which would otherwise be abandoned if not

used for 3 years. Thus we have a double pressure to maximize upon the use of the total allotments, (1) an incentive for the owner of the allotment farm growing no tobacco to lease out his allotment to save it from being abandoned, and (2) from the individual grower who plans to increase production in spite of the fact that the national quota level has been reduced to aline supply with the needs of the market.

If the leasing program for Wisconsin types of cigar-filler and cigar-binder types of tobacco is continued, we could experience a paradoxical situation in which we have a mandatory reduction in allotments and at the same time end up with more harvested acres than we had a year ago.

Continuation of the leasing provisions will require further reductions in allotments to accommodate the unused acres brought back into production by leasing.

The end result is a hardship would be placed on the regular grower and often the small grower who complied with the required reduction in acreage and was not able or anxious to offset the reduction by leasing unused acres from his neighbors. The grower then finds himself with an uneconomic production unit and the unhappy choice of bidding against others for whatever acreage is available for leasing or retiring from active tobacco growing and leasing his allotment to those who remain.

We are reliably informed that tobacco leases brought as much as \$75 an acre in Wisconsin with the bulk being in the \$10 to \$12 range. It is obvious that these arrangements introduce an undesirable cost factor into tobacco production that would increase as additional demand for unused allotments was generated by further reductions in the allotments for all farms.

In summary, we pray that the leasing and transfer program for certain types of cigar-filler and cigar-binder tobacco be discontinued for 1962.

Its termination would (1) obviate its interference with the sincere efforts of many growers to adjust production to market demand, (2) remove the inherent hardship on the regular and small grower who shrinks his acreage repeatedly in an effort to comply with reduction of allotments and is eventually forced out of tobacco production, (3) restore the concept that tobacco allotments are attached to the land and are not to be sold or leased, and (4) eliminate unnecessary costs.

It is rather absurd to continue a situation in which, on the one hand, compulsory reductions in allotments are required to correct the supply-and-demand imbalance, and, on the other hand, unused allotments are allowed to be leased and brought back into production to nullify these efforts.

Mr. ABBITT. We thank you very much for your statement.

Any questions?

Mr. STUBBLEFIELD. I think the witness meant the first line on the last page should be 1963.

Mr. KASAKAITAS. 1963; yes; thank you very much. These things begin to look alike after a while.

Mr. ABBITT. That is right.

Mr. KASAKAITAS. Thank you.

Mr. MATTHEWS. Mr. Chairman, I would like to make just one or two observations here.

Mr. ABBOTT. Certainly.

Mr. MATTHEWS. As you know, I am the author of the bill and I would like to say to Mr. KasaKaitas that the committee was very anxious not to make this permanent legislation, so you gentlemen who do not like the provisions of the bill for your particular type of tobacco could have the opportunity that you are having today. The chairman will recall that we emphasized the fact that it was just to be a 2-year bill. The thing that distresses me a little bit, though, is this: I am perfectly willing to go along with the wishes of you gentlemen who represent the cigar filler and binder types of tobacco in these States, if this is what you want, but I think at another date we ought to go very much into detail of the philosophy of this legislation. Certainly, the philosophy of this legislation is entirely opposite to what I believe you feel it is.

If, throughout the whole Tobacco Belt, of course, the bill would work out like you feel it has in Wisconsin, I certainly would not want to sponsor its renewal.

Mr. JOHNSON of Wisconsin. I understand it is working out very well in your area.

Mr. MATTHEWS. Yes; and I would like to emphasize this: Insofar as my concern about this matter in Florida, it was really to help the fellow who just had an acre and a half or an acre of tobacco and could not produce on that amount of acreage an economical unit. It seemed to me that if somehow or other you could make it possible, not on and on and on, but only a year at a time, for this man to get another acre and a half and have, say, 3 acres, then maybe the next year his neighbor would plant the 3 acres and they could have an economical unit of production. That was the main thing we wanted to do.

I think it ought to be emphasized again, Mr. Chairman, that we did not want to press this on any group that did not want it.

I say this in a spirit of friendliness, that I felt, as author of the bill, I ought to say I have some question about the objections to the basic legislation which have been raised, although I feel I ought to go along with what you growers desire for your particular type of tobacco.

Mr. ABBOTT. Now, Mr. Morris B. Allton, who is director of public affairs of the Ohio Farm Bureau Federation.

STATEMENT OF MORRIS ALLTON, DIRECTOR OF PUBLIC AFFAIRS, OHIO FARM BUREAU FEDERATION

Mr. ALLTON. Mr. Chairman, I do not have a great many copies of my statement. However, I have enough copies for the chairman and reporter and one other.

Mr. Chairman, members of the House Agriculture Committee, my name is Morris Allton, director of public affairs, Ohio Farm Bureau Federation, Columbus, Ohio. I am making a statement on behalf of the 1,200 to 1,400 cigar filler-type tobacco growers located in the rich Miami Valley of western Ohio.

This represents an area of about seven or eight counties in the western and southwestern part of our State.

These include members of the Ohio Farm Bureau Federation and members of the Cigar Tobacco Cooperative, managed by Robert Cool of Arcanum, Ohio, who has filed a letter with this committee.

In 1961, Ohio growers produced about 8.3 million pounds of cigar filler-type tobacco. This is nearly 1.8 million pounds more than the annual disappearance of this type of tobacco for the past 2 years. This, coupled with more than a 4-year supply (25.9 million pounds) on hand, made it necessary for the Secretary of Agriculture under the Agricultural Adjustment Act of 1938, as amended, to make a 15-percent cutback in cigar filler-type tobacco allotments for the 1962 crop. We can conclude from this information and the Secretary's action, that there is definitely a surplus problem in this type of tobacco and, furthermore, anything that is done that contributes to this problem is not in the best interests of the producer or of the industry in general.

This is the basis for our organization's opposition to the amended section of the Agricultural Adjustment Act of 1938 which permits the lease and transfer of allotments from one farm to another. Making this practice permissible in 1962 tended to nullify the cutback in allotments ordered by the Secretary for the purpose of reducing the buildup in cigar filler-type supply. For these reasons, we respectfully urge that this committee act favorably on H.R. 12855, which would amend the Agricultural Adjustment Act of 1938 to exclude cigar filler and binder types of tobacco from the section of the act which permits the leasing of allotments.

I appreciate this opportunity to present the sentiments of cigar filler-type producers in Ohio on this matter.

Thank you very much.

Mr. ABBITT. Thank you very much, Mr. Allton.

Any questions?

(No response.)

Mr. ABBITT. I see we have a distinguished visitor here, Mr. Jack Lynn of American Farm Bureau.

Mr. JOHNSON of Wisconsin. Mr. Nettum wishes to add another little statement which he left out of his statement.

Mr. ABBITT. Very well, Mr. Nettum.

Mr. NETTUM. I wanted to mention that we are much in favor of the tobacco program. We realize it has worked in Wisconsin, and we are so concerned about this because we want it to work. But we are voting on our allotment for another 3-year period this spring. We are hoping that the lease and transfer would not interfere with the thinking of our growers to the point that some disgruntled growers would try to organize a campaign to vote it out. Without the tobacco allotment, it would be disastrous. Our prices could really hit the sky. We are all for the tobacco program and think it is wonderful.

Mr. ABBITT. Mr. Todd, would you like to say something else?

Mr. TODD. Mr. Chairman, I would like to raise a couple of questions.

You have two bills here and the Department has reported only on H.R. 12855. As I see them, the primary difference is that H.R. 12855 includes the Ohio filler, type 42, 43, and 44, and the New York-Pennsylvania binder tobacco which is a very small acreage and then the Wisconsin binder types 54 and 55. Those types of tobacco are

grouped together now in the Agricultural Adjustment Act as one kind of tobacco for which the Secretary proclaims a quota and the allotments may be made from that. We would prefer that all in that classification be treated the same.

Mr. ABBITT. In other words, if you are going to make an exception, you would like for the entire kind of tobacco to be exempted?

Mr. TODD. In all the testimony I have heard here, the Ohio people, and I know from the letters we have received from there, are not in favor of the transfer after we found it necessary to reduce allotments.

Mr. ABBITT. I can understand that.

Mr. JOHNSON of Wisconsin. Then you are for the Johnson bill?

Mr. TODD. Yes, sir.

Mr. ABBITT. I can see the point you are making.

Mr. TODD. The other point I have we might like to get some testimony on. Someone has raised the question, under Public Law 87-200, leases could be applicable for 2 years, 1962 and 1963, although on an annual basis. The law specifically says they can be renewed. Now, suppose I had leased Mr. Johnson's tobacco allotment for 1962. The lease only provided for 1 year and a copy of it was filed with our county ASC committee. However, under existing law the lease can be renewed for 1963. Do you want to cut it off solid and say there will be no renewal as now provided by law? I do think you ought to clear that thing up in your report.

Mr. ABBITT. My recollection is when we went into this thing, the subcommittee was practically unanimous that it would be for 1 year at a time. When you had that lease, it would be—

Mr. TODD. I believe the law said 1 year only, but it could be renewed.

Mr. ABBITT. Now, if they want to get together to renew that lease, all right, but it must be a 1-year action.

Mr. MATTHEWS. That is what I had in mind.

Mr. TODD. You might say this bill, how would you interpret that, Mr. Murray?

Mr. MURRAY. Just looking at the two bills here, Mr. Johnson's bill has the clear intent to prohibit the leasing of these types 42, 43, 44, 53, 54, and 55 in 1963. That is the clear intent of it. But the question is raised, and I think you have properly raised a good question, because subparagraph (b) of section 316 of the Agricultural Adjustment Act of 1938 states as follows:

Any lease may be made on such terms and conditions except as otherwise provided in this section as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year if the parties so agree.

So that would seem to me to raise the question that Mr. Todd has raised, too, how about folks that did lease and did enter into these rental agreements for 1962? Would the Johnson bill cover them specifically to prevent them from renewing in 1963 their leases that were in existence in 1962?

Now, the Thomson bill clarifies the intent by adding the proviso saying that no such lease shall be renewed for 1963 for Wisconsin-type tobacco. It should be broadened to cover the other types if that is what you want.

Mr. JOHNSON of Wisconsin. I think you should amend my bill so they cannot be renewed for 1963.

Mr. MURRAY. I think that was your intent in the first place, but it could be clarified.

Mr. ABBITT. Do you think it could be in the report? My understanding was that we could renew the lease. It could be on the same terms, but have it all over again, take it up with the ASC committee and everybody concerned. The language may be such that you would not have to do that.

Mr. MURRAY. The question is raised by this language, "but may be renewed for the 1963 crop year." Does that mean that it may be renewed even though there is an exclusion up above that comes in after the first year?

Mr. SHORT. Isn't that the purpose of this bill, to exclude any possibility of renewing it for that second year?

Mr. ABBITT. We could say it in the report, if that is sufficient, to prohibit any leasing or renewal of any leasing in these 42, 43, 44, 53, 54, and 55 types of tobacco.

Mr. MURRAY. I think if the Department construes it that way, they could rely on the committee report that this is the intent of the author and the committee that these leases not be renewed.

STATEMENT OF J. A. FRIDINGER, OFFICE OF GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. FRIDINGER. My name is J. A. Fridinger. I am from the Office of the General Counsel, U.S. Department of Agriculture. We would rather have it clean-cut in the law, but if it is preferable for the committee to put it in the report, we would go along with it.

Mr. TODD. May I suggest if you would like to treat them all together, if you are going to use the language from H.R. 12910, include these other types, too.

Mr. SHORT. Would this do the job? If we were to take the proviso that is in Mr. Thomson's bill, add the other types of tobacco that are included in Mr. Johnson's bill, would that do the job?

Mr. TODD. Yes, sir.

Mr. ABBITT. You mean and put "*and, provided further*, no such lease shall be renewed for 1963 for Wisconsin types"—how about Mr. Fridinger wording that for us so there will be no question about it?

Mr. FRIDINGER. I am sure Mr. Murray would do it right.

Mr. ABBITT. I know he would, too, but we will let the Department do it, so then they cannot say we did not do it right.

(Discussion off the record.)

Mr. FRIDINGER. Mr. Murray was working on one bill, Mr. Chairman, and I was working on the other bill and we came out with exactly the same result. You can take 12855 and put a "(1)" after "further amended" on line 4 and then add the proviso in H.R. 12910 and the extra four types of tobacco.

(Discussion off the record.)

Mr. ABBITT. Hyde, will you be responsible for getting that fixed up?

Mr. MURRAY. Yes, sir.

(The following statement and letters were also submitted to the subcommittee:)

STATEMENT OF HON. ROBERT W. KASTENMEIER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF WISCONSIN

Mr. Chairman, I am happy to be able to testify on legislation suspending the present tobacco acreage allotment leasing program for the 1963 crop in Wisconsin. As you know this legislation has been introduced by our colleague, Congressman Lester Johnson. He deserves the praise of all of us who are interested in fair treatment for the tobacco growers.

The present leasing system, in effect for only 1 year, simply has not worked. I believe it would be right to correct the situation now before running another year under an unmanageable program.

On the one hand tobacco growers are asked to reduce their acreage allotments while, on the other, some growers lease unused acreage for increased production.

Although the growers in my State took a 15-percent cut in allotments in fact, the actual reduction in acreage harvested turned out to be only 10 percent in 1961. This undermines the whole purpose of the program.

The legislation would provide that tobacco allotments must be attached to the land. Only when the land is sold would the allotment change hands (except in certain circumstances). Under present law a grower, as you know, can lease his unused allotment while retaining his land.

This works a special hardship on the regular grower and especially on the small grower. After reducing his acreage, in compliance with the law, he must face the decision of whether to bid against others for whatever acreage is available for leasing, or lease his own allotment to someone else.

The reason the Wisconsin situation is so difficult is not hard to find. There are some growers who simply cannot afford to grow tobacco when their allotments are reduced.

As a result, 28 percent of the Wisconsin tobacco allotments were unused in 1961. This meant that bigger operators, with plenty of cash on hand, could go in and lease the small grower's allotment.

This is not only unfair to the small grower, but it is self-defeating. If new legislation does not pass, I think that there will probably have to be a stiffer allotment reduction next year to reduce production.

You may be interested in some figures on this: The total tobacco acreage allotted to all farms in Wisconsin for 1962 was 15,824 acres and allotments were established for 6,550 farms. Department of Agriculture records show that 581 of these farms leased out a total of 1,034 acres for production. For 1962 the Wisconsin tobacco acreage planted for harvest is estimated at 12,400 acres, a reduction of about 15 percent.

Many growers did not learn of the details of the leasing arrangements under the present law. They did not take advantage of the program to the full extent. However, if the law is not changed, next year I am sure that leasing would go on at a greatly increased pace. This would mean a bigger harvest and, in the following year, we would have to pay the consequences in terms of a bigger allotment reduction.

It is important to know that there are added costs being paid already in this regard. Tobacco leases have brought as much as \$75 an acre in Wisconsin although most are selling at about \$10 to \$12 per acre.

For all of these reasons, I believe that the legislation before this committee should be approved and enacted into law.

Mr. Chairman, I want to thank the committee for their consideration of this statement. I hope that your committee will report favorable on the legislation now before it.

EXEMPTION OF CERTAIN TOBACCOS

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 27, 1962.

Hon. WATKINS M. ABBITT,
Chairman, House Agriculture Subcommittce on Tobacco,
Washington, D.C.

DEAR MR. CHAIREMAN: I would be pleased to have permission to file a statement to become a part of the record in your deliberations on the proposal that would exempt cigar-filler and cigar-binder tobacco produced in the State of Ohio from the 1963 allotment leasing program.

The Ohio growers, who produce types 42, 43, and 44, share a mutual feeling in this problem with the Wisconsin growers.

I am enclosing a copy of a letter addressed to our colleague, the Honorable Lester R. Johnson of Wisconsin, by Mr. Robert Cool, manager of the Cigar Tobacco Cooperative, whose members reside in Darke, Miami, Preble, Montgomery, and Warren Counties.¹

Sincerely yours,

WILLIAM M. McCULLOCH,
Representative to Congress.

Mr. ABBITT. Gentlemen, I appreciate very much your being here. I am going to ask the committee to go into executive session.

(Whereupon, at 3 p.m., the subcommittee went into executive session.)

¹ The letter referred to appears on p. 7.



IN THE HOUSE OF REPRESENTATIVES

AUGUST 9, 1962

Mr. JOHNSON of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 is further amended to change the language enclosed in
5 parenthesis in the first sentence of section 316(a) to read
6 “(other than a Burley tobacco acreage allotment, and for
7 the 1963 crop year, other than a cigar-filler and cigar-
8 binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage
9 allotment).”

I

87TH CONGRESS
2^D SESSION

H. R. 12855

A BILL

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

By Mr. JOHNSON of Wisconsin

AUGUST 9, 1962

Referred to the Committee on Agriculture

August 27, 1962

17. TOBACCO. The Subcommittee on Tobacco of the Agriculture Committee voted to report to the full committee with amendment H. R. 12855, relating to lease and transfer of tobacco acreage allotments. p. D773
18. HOUSING. By a vote of 367 to 62, passed under suspension of the rules H. R. 12628, to authorize a program of housing for the elderly in rural areas. pp. 16615-23
19. LOANS. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee H. R. 12653, to amend the Consolidated Farmers' Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under the act. p. D773
20. COMMUNICATIONS. By a vote of 372 to 10, agreed to, under suspension of the rules, H. Res. 769, providing that the House concur in the Senate amendments to H. R. 11040, the satellite communications bill. This bill will now be sent to the President. pp. 16604-15
21. FEDERAL AID. Passed under suspension of the rules S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program. pp. 16635-6
22. PARKS. By a vote of 60 to 50, failed to pass under suspension of the rules (a two-thirds vote being necessary for passage under suspension proceedings) S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V. I. pp. 16637-8
23. ELECTRIFICATION. By a vote of 107 to 20, passed under suspension of the rules S. 1606, to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act. pp. 16638-40
Rep. Saylor criticized the proposed tour by the Secretary of Interior of Russian electric power installations, and criticized a speech by the Administrator of REA. pp. 16641-2
24. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 2079, to amend the Classification Act of 1949 so as to authorize the establishment of hazardous duty pay in certain cases (H. Rept. 2269). p. 16652
25. PUBLIC WORKS. Rep. Slack criticized the proposed Public Works Acceleration Act, saying it "appears to have become part of a foolish and dangerous game of Russian roulette which some of my colleagues like to play with our economy." pp. 16644-5
26. NEWSPRINT. The Interstate and Foreign Commerce Committee issued a report on world newsprint supply-demand (H. Rept. 2273). p. 16652
- ITEMS IN APPENDIX
27. FARM PROGRAM. Extension of remarks of Sen. Randolph discussing the growth and development of agriculture, advocating more research expenditures for agriculture and inserting an article on this subject. p. A6397
28. OPINION POLLS. Extension of remarks of Reps. Thompson and Smith inserting the results of questionnaires. pp. A6401, A6401-2
29. FOOD FOR PEACE. Extension of remarks of Rep. Curtis, Mo., favoring the Findley amendment which allows funds generated by the sale of surplus commodities to be sold to Americans planning to visit the countries who participate in the food-

- for-peace program, and inserting an article. p. A6402
30. INFORMATION. Extension of remarks of Rep. Goodling stating that the Labor Dept. is trying to "determine why bureaucrats cannot say what they mean in plain simple language all can understand," and inserting an article which states that the Estes case has brought out the fact that "county committees...frequently don't read directives sent out by the Department of Agriculture. The reason? They're so frequently unreadable." p. A6403.
31. PERSONNEL. Extension of remarks of Rep. Ford criticizing the increase in number of employees in this Department and inserting an article, "Civil Service Bumper Crop." p. A6404
32. PUBLIC WORKS. Extension of remarks of Rep. Rains urging passage of public works legislation. pp. A6410-1
33. LUMBER. Extension of remarks of Rep. Green inserting an article, "Oregon's Lumber Crisis." pp. A6425-7

BILLS INTRODUCED

34. PEACE CORPS. H. R. 12981, by Rep. Halpern, to establish a Domestic Peace Corps; to Education and Labor Committee.
35. HOLIDAY. H. J. Res. 760, by Rep. Arends, making the 17th Day of September in each year a legal holiday to be known as "Constitution Day"; to Judiciary Committee.
36. FAO. S. 3679, by Sen. Fulbright, authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963; to Foreign Relations Committee. Remarks of author pp. 16656-7

BILLS APPROVED BY THE PRESIDENT

37. PURCHASING. H. R. 8100, allowing GSA to charge to the consuming agencies the transportation costs of items of supply sent them by request. Approved August 24, 1962 (Public Law 87-600).
38. TARIFFS. H. R. 10928, transfers casein or lactarene to the free list of the Tariff Act of 1930. Approved August 24, 1962 (Public Law 87-606).

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COMMITTEE HEARINGS AUG. 28:

Farm policy recommendations of CED, H. Agriculture (Secretary Freeman to testify).
Estes investigation, S. Gov't Operations.
Wilderness preservation bill, H. Interior.
Road authorization bill, S. Public Works (exec).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 13, 1962
For actions of Sept. 12, 1962
87th-2d, No. 164

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HIGHLIGHTS: House committee voted to report bills to increase number of new counties eligible for crop insurance, further restrict interstate movement of diseased livestock and poultry, increase limitation on FHA loans, extend time for leasing tobacco allotments, facilitate work of Forest Service, facilitate USDA administrative operations, and provide cooperation with States in administration of agricultural laws. Conferees granted permission to file conference report on USDA appropriation bill by midnight, Sept. 12. Senate passed bills to: Increase authorization for Cooperative Forest Management Act. Provide for cooperation with States in administration of agricultural laws. Senate concurred in House amendment to bill to expand survey of forest resources. Sen. Morse discussed recent criticisms of administration of national forests.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that "Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 12391, proposed Food and Agriculture Act of 1962, and reached tentative agreement thereon, and will meet again on Friday, September 14." p. D834

2. APPROPRIATIONS. The conferees were granted until midnight Wed., to file a conference report on H. R. 12648, the agricultural appropriation bill for 1963. p. 18127

Received and agreed to the conference report on H. R. 12870, the military construction appropriation bill (H. Rept. 2356). pp. 18173-6, 18178

The Appropriations Committee was granted permission to report the foreign aid appropriation bill on Tues., Sept. 18, and bring it to the floor on Thurs., Sept. 20. p. 18132

3. AGRICULTURE COMMITTEE. The Agriculture Committee voted to report (but did not actually report) S. 2859, to amend the Federal Crop Insurance Act, as amended, in order to increase from 100 to 150 the number of new counties in which crop insurance may be offered each year; S. 3120, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry; H. R. 1111, to authorize the Secretary of Agriculture to sell and convey certain forest lands in Iowa, H. R. 12434 (amended), omnibus bill to facilitate the work of the Forest Service; H. R. 12653 (amended), to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such Act; H. R. 12855 (amended), relating to the lease and transfer of tobacco acreage allotments; H. R. 12811 (amended), omnibus bill to facilitate the work of the Department of Agriculture; H. R. 12802, to provide further for cooperation with States in administration and enforcement of certain Federal laws; and S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program. The Committee passed over without prejudice S. 3517, earmark Sec. 32 funds to establish and carry out a program to promote the flow of domestically produced lumber in commerce; and S. 2121, to establish Federal agricultural services to Guam; and voted to accept Senate amendments to H. R. 8520, to limit financial and technical assistance for drainage of certain wetlands. p. D833
4. ROADS. The Public Works Committee voted to report (but did not actually report) S. J. Res. 137, to authorize the Secretary of Commerce, in cooperation with Alaska, to undertake studies and surveys relative to a highway construction program for Alaska. p. D834
5. MONOPOLIES. The Interstate and Foreign Commerce Committee reported with amendment H. J. Res. 636, the proposed Quality Stabilization Act (H. Rept. 2352). p. 18178
6. LOBBYING. Received from the Clerk of the House and the Secretary of the Senate the quarterly reports pursuant to the Regulation of Lobbying Act. pp. 18180-211

SENATE

7. FORESTRY. Passed without amendment H. R. 9728, to increase the amount authorized to be appropriated to carry out the Cooperative Forest Management Act from \$2.5 million to \$5 million. This bill will now be sent to the President. pp. 18071-2
- Passed without amendment S. 3589, to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn., and exchange them with Minn. for State-owned lands in the Superior National Forest. p. 18072
- Concurred in the House amendment to S. 3064, to increase the authorization for the national survey of forest resources from \$1.5 to \$2.5 million annually. This bill will now be sent to the President. p. 18073
- Passed with amendment S. 3335, to revise the boundaries of the Big Hole Battlefield National Monument, Mont., including the transfer of land from the Beaverhead National Forest to the Monument. p. 18073
- Sen. Morse discussed recent criticism of the administration of the national forests and stated that "Secretary Freeman is now addressing himself to this problem" and that "These times require a reassessment of procedures, a reanalysis of attitudes, the communication of ideas, but most of all an improvement in performance." pp. 18106-7

6. TOBACCO. The Agriculture Committee reported on Sept. 15 (during adjournment of the House) with amendment H. R. 12855, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55, from the lease and transfer authority. (H. Rept. 2380). p. 18583
7. WILDLIFE. The Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee voted to report to the full committee S. 1988, to aid in the administration of the Tule Lake, Lower Klamath, and Upper Klamath National Wildlife Refuges in Oregon and California. p. D853
8. FLOOD CONTROL. Received from the Budget Bureau plans for works of improvement relating to the following watersheds: Crooked Bayou, Ark.; West Fork of Pond River, Ky.; Hardin Creek, Tenn.; and Mill Creek, Tenn.; to Agriculture Committee. p. 18583
Received from the Budget Bureau plans for works of improvement relating to the following watersheds; Tobe of Kee, Ga. (supplemental); Cottonwood Creek, Okla.; and Delaware Creek, Okla.; to Public Works Committee. p. 18583
9. EDUCATION. The "Daily Digest" states that "Conferees, in executive session, reached agreement on the differences between the Senate- and House-passed versions of H. R. 8900, authorizing Federal financial assistance for institutions of higher education, and will meet again on Wednesday, September 19, to sign a conference report thereon." p. D853
10. MINING. Passed with amendment S. 3451, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed. A similar bill, H. R. 12761, was laid on the table. pp. 18532-4, 18545-50
11. AIR POLLUTION. Passed with amendment S. 455, to provide for public hearings on air pollution problems of more than local significance under, and extend the duration of, the Federal air pollution control law. A similar bill, H. R. 12833, which was earlier passed under suspension of the rules, was laid on the table. pp. 18556-60
12. EDUCATION; VETERANS. Passed with amendment S. 2697, to amend title 38, U.S.C., to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. A similar bill, H. R. 9962, was laid on the table. pp. 18489-92
13. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 1070, to amend the Federal Employees' Group Life Insurance Act of 1954, as amended, so as to provide for an additional unit of life insurance (H. Rept. 2383). p. 18583
14. HOUSE RULES. Rep. Reuss urged five amendments to the Rules of the House of Representatives intended to expedite the business of Congress. pp. 18567-70
15. SMALL BUSINESS. Rep. Roudebush discussed the American patent system and said, "It is my firm conviction that the Congress must not take any precipitate action to alter our patent system." pp. 18577-81

House

- 5 -

Sept. 17, 1962

to be subject to the program could divert as much as their entire acreage for payment.

"Third. Certain crops not in surplus supply, such as safflower, sesame, and other minor crops, could be produced on diverted acreage at the discretion of the Secretary, and partial diversion payments could be made.

"Fourth. If more than one-third of the producers voting in the referendum opposed the program, price support would be provided at 50 percent of parity to cooperators.

"..."

"The bill provides also that the Secretary may increase the allotment for any type of wheat which would otherwise be in short supply. . . .

"Authority is provided also for the Secretary to permit wheat to be produced on feed grain acreages to such extend and under such conditions as will not impair the operation of the wheat program. It is understood that this authority would not be used except in the case when an acreage diversion program for feed grains was in effect.

"..."

"Title IV--Farmers Home Administration

"The bill makes the following changes in the lending authorities of the Farmers Home Administration:

"First. Adds "recreational uses and facilities" to the purposes for which real estate loans may be made or insured to the owner-operators of not larger than family farms.

"Second. Adds "shifts in land use including the development of recreational facilities" to the purposes for which loans may be made or insured to associations serving farmers and other rural residents.

"Third. Adds "recreational uses and facilities" to the purposes for which operating loans may be made to the operator of not larger than family farms.

"Fourth. Adds a definition of farmers to include persons engaged in fish farming among farmers eligible for loans, and

"Fifth. Increases from 10 to 25 million the aggregate of the real estate loans which the Secretary may make out of the insurance fund to be sold and insured, which are on hand and not disposed of at any one time." pp. 18574-7

2. AGRICULTURAL APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 12648 (H. Rept. 2381) (pp. 18487-9, 18583). Attached to this digest is a copy of the conference report and a summary of the action of the conferees.
3. FOREST SERVICE. Passed as reported H. R. 12434, to facilitate the work of the Forest Service (pp. 18560-1). This bill was reported with amendment on Sept. 15 (H. Rept. 2377) (p. 18583).
4. LOANS; FHA. Began debate on H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the limitation on the amount of loans which may be insured under such Act (p. 18561). This bill was reported with amendment on Sept. 15 (H. Rept. 2378) (p. 18583).
5. COOPERATION. The Agriculture Committee reported on Sept. 15 (during adjournment of the House) without amendment H. R. 12802, to authorize the Secretary of Agriculture to cooperate with States in the administration and enforcement of Federal laws relating to the marketing of agricultural products and to the eradication or control of plant and animal diseases and pests. (H. Rept. 2379 p. 18583)

WISCONSIN TOBACCO, TRANSFER OF ACREAGE
ALLOTMENTS

SEPTEMBER 15, 1962.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany H.R. 12855]

The Committee on Agriculture, to whom was referred the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 4, strike out "to change" and insert "(1) by changing".

Page 1, line 9, strike out the period, add a semicolon following the quotation marks and the following: "and (2) by striking the period and inserting at the end of the second sentence of subsection 316(b) the following: ': Provided, that no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco.' "

PURPOSE

In 1961 Congress authorized (Public Law 87-200), on an experimental basis for the years 1962 and 1963, the transfer by lease of tobacco acreage allotments. For reasons peculiar to burley tobacco, this type was not included in the transfer authority. It now appears that another type of tobacco (cigar-filler and cigar-binder, grown generally in Wisconsin) should also have been omitted from this legislation. This bill will exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55, along with burley, from the transfer authorization of the Act.

2 WISCONSIN TOBACCO, TRANSFER OF ACREAGE ALLOTMENTS

COMMITTEE AMENDMENT

The committee amendment is to make it clear that the exclusion of the types of tobacco named in this bill from the transfer authority of the act for 1963 will also prohibit the renewal for 1963 of any such transfer agreement which may have been made for 1962.

COST

There would be no additional cost to the Government as the result of this legislation.

DEPARTMENTAL POSITION

Following is the letter from the Secretary of Agriculture stating that the Department has no objection to the enactment of this bill and outlining in some detail the acreage situation which makes the legislation desirable.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 24, 1962.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. COOLEY: This is in reply to your request of August 16, 1962, for a report on H.R. 12855, a bill to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

This Department has no objection to the enactment of this bill.

The bill would exclude cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotments for the 1963 crop year from existing legislation which provides for the lease and transfer of tobacco (except burley) acreage allotments for the 1962 and 1963 crop years. Public Law 87-200, approved September 6, 1961, amended the Agricultural Adjustment Act of 1938, as amended, by adding a new section 316 providing for the lease and transfer of tobacco acreage allotments (other than a burley tobacco acreage allotment) for the crop years 1962 and 1963.

In reporting on the bill which provided for the lease and transfer of all tobacco acreage allotments, the Department recommended that its provisions be made applicable to all commodities for which marketing quotas were in effect. The bill was amended in the Senate to exclude burley tobacco. During 1962, tobacco allotments were leased and transferred from 20,240 farms. This represents about 7.5 percent of all farms with allotments, exclusive of burley. The acreage leased and transferred in 1962 represents about 3.2 percent of the total allotted acreage, exclusive of burley.

There is substantial underplanting of allotments for cigar-filler and binder tobacco. The total acreage allotted for 1961 was 25,376 acres and 18,300 acres were grown. Thus, almost 28 percent of the allotments were not grown. For 1962, 804 allotments of cigar-filler and binder tobacco have been leased and transferred. The total acreage leased is 1,363 acres, about 6.5 percent of the 1962 allotted acreage. Cigar-filler and binder tobacco farm acreage allotments were reduced 15 percent for 1962 in order to adjust supplies to demand. Loan holdings of cigar-binder (types 54 and 55) tobacco on July 31, 1962,

totaled 10,553,000 pounds, farm weight. No loans are outstanding on cigar-filler (types 42, 43, and 44) tobacco or type 53, cigar-binder tobacco.

In view of the traditional pattern of underplanting of allotments for cigar-filler and binder tobacco, there is a possibility of increased unneeded production in 1963 through expanded use of the lease and transfer provisions.

The enactment of this proposed legislation would have no significant effect upon the expenditure of administrative funds or Commodity Credit Corporation capital funds.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

CHANGES I EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment [(other than a burley tobacco acreage allotment)] (*other than a Burley tobacco acreage allotment, and for the 1963 crop year, other than a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment*) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961.

(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree [.] : *Provided, That no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco.*

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in

4 WISCONSIN TOBACCO, TRANSFER OF ACREAGE ALLOTMENTS

the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 percentum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.



Union Calendar No. 1007

87TH CONGRESS
2D SESSION

H. R. 12855

[Report No. 2380]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 9, 1962

Mr. JOHNSON of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

SEPTEMBER 15, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 is further amended ~~to change (1) by changing~~ the language
5 enclosed in parenthesis in the first sentence of section 316 (a)
6 to read “(other than a Burley tobacco acreage allotment, and
7 for the 1963 crop year, other than a cigar-filler and cigar-
8 binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage
9 allotment).” allotment); and (2) by striking the period and
10 inserting at the end of the second sentence of subsection

87TH CONGRESS
2d SESSION

H. R. 12855

[Report No. 2380]

A BILL

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

By Mr. JOHNSON of Wisconsin

August 9, 1962

Referred to the Committee on Agriculture

SEPTEMBER 15, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

1 316(b) the following: " : Provided, That no such lease shall be
2 renewed for 1963 for cigar-filler and cigar-binder (types 42,
3 43, 44, 53, 54, and 55) tobacco."

Sept. 19, 1963

expeditious and orderly conduct of the loan program. p. 18606

Began debate on amendment No. 19, to provide \$1,600,000 for AMS for construction of facilities and acquisition of the necessary land therefor, as authorized by law, to remain available until expended. pp. 18602-6

13. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12711, but insisted on disagreement to several of the Senate amendments. pp. 18591-5
14. LEGISLATIVE BRANCH APPROPRIATION BILL, 1963. Began debate on the conference report on this bill, H. R. 11151. Action on one Senate amendment in disagreement was deferred. pp. 18606-10
15. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee reported this bill, H. R. 13175 (H. Rept. 2410). p. 18639
16. LOANS; FHA. Passed as reported H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under such Act. pp. 18611-2
Rep. Curtis, Mo., criticized the House procedures under which this bill failed to pass on Sept. 17. pp. 18595-6
17. WETLANDS. Concurred in the Senate amendments to H. R. 8520, to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to Sec. 16 to limit financial and technical assistance for drainage of certain wetlands. This bill will now be sent to the President. pp. 18590-1
18. TOBACCO. Passed as reported H. R. 12855, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42,43,44,53,54 and 55, from the lease and transfer authority. pp. 18612-3
19. COOPERATION. Began debate on S. 3475, to authorize the Secretary of Agriculture to cooperate with States in administration and enforcement of certain Federal laws relating to the marketing of agricultural products and to the eradication or control of plant and animal disease and pests. (p. 18622). A similar bill, H. R. 12802, was passed without amendment earlier (pp. 18613-4).
20. PARKS. Began and concluded debate on S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V.I. pp. 18615-22
21. PERISHABLE COMMODITIES. Received the conference report on S. 1037, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing (H. Rept. 2408). pp. 18622-3, 18639
22. TARIFFS. Received the conference report on H. R. 6682, to provide for the exemption of fowling nets from duty (H. Rept. 2412). pp. 18623-4, 18639
23. PERSONNEL. Received the conference report on H. R. 12180, to extend for a temporary period the existing provisions of the law relating to the free importation of personal and household effects brought into the U. S. under Government orders (H. Rept. 2413). pp. 18624, 18639
The Post Office and Civil Service Committee reported without amendment S. Con Res. 53, favoring travel by Federal employees on U.S. flag carriers (H. Rept. 2407). p. 18639

24. RECLAMATION. Rep. Olsen discussed the "60th anniversary of the Bureau of Reclamation, pioneering Federal public works agency which is still playing a prominent role in water resource development in Montana and elsewhere in the West," including its relationship with REA cooperatives. pp. 1863-8
25. MERCHANT MARINE AND FISHERIES COMMITTEE. The "Daily Digest" states that the Subcommittee on Fisheries and Wildlife Conservation of the Merchant Marine and Fisheries Committee "met in executive session and ordered reported favorably to the full committee H. R. 9547, regarding importation of salmon for sale within the U.S.; H. R. 11343 (amended), regarding the initiation of a salmon and steelhead development program in California; S. 3504 (amended), regarding representation of secretarial officers on the Migratory Bird Conservation Commission; and S. 3431, to consent to the amendment of the Pacific Marine Fisheries Compact. Passed over H. R. 10714, to provide for the distribution of the total net income from wildlife refuges administered by the U.S. Fish and Wildlife Service of the Department of the Interior." p. D860
26. AGRICULTURAL APPROPRIATION BILL, 1963. Attached to this Digest are additional notes relating to the tables in Digest 167 summarizing the action of the conferees on this bill, H. R. 12648. These notes were inadvertently omitted and should be attached to Digest 167 as page 12.

ITEMS IN APPENDIX

27. FARM PROGRAM. Extension of remarks of Sen. Hartke inserting an address by Claude R. Wickard, "Knowledge: The Key to a Century of Agricultural Progress." pp. A6890-2
Extension of remarks of Rep. May inserting reports by international farm youth delegates in Germany and Poland describing conditions on farms in those countries. pp. A6900, A6907-8
28. ELECTRIFICATION. Extension of remarks of Sen. Wiley inserting an article, "America's Power System," comparing production of electrical power in the United States and the Soviet Union. p. A6893
29. HOLIDAY. Extension of remarks of Rep. Green inserting an editor's letter protesting the proposed designation of Sept. 17 as a legal holiday. pp. A6899-900
30. MILK. Extension of remarks of Rep. Quie inserting an article suggesting a possible solution to some of the problems of the dairy industry, including an increase in advertising efforts. p. A6903

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COMMITTEE HEARINGS SEPT. 19:

Additional research facilities for experiment stations, S. Agriculture.
Federal pay bill, S. Civil Service (exec).
Watershed projects, H. Agriculture (exec).
Promotion of trade through mobile trade fairs, H. Merchant Marine and Fisheries (exec).

Naturally, I also hope you can come to West Virginia, for there will be more to see in 1963.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 86-184 is hereby amended by striking out, in section 1, line 7, the words "not more than two hundred thousand silver medals" and inserting in lieu thereof "not more than twenty platinum medals, twenty thousand silver medals, and seven hundred and fifty thousand bronze medals."

SEC. 2. Public Law 86-184 is further amended by striking out, in section 2(b), line 2, the words "in silver".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FARMERS HOME ADMINISTRATION, INCREASE AUTHORIZATION FOR INSURED LOANS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12653) to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 308 of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out the figure "\$150,000,000" and inserting in lieu thereof the figure "\$300,000,000".

With the following committee amendment:
On page 1, line 6, strike out the figure "\$300,000,000" and insert "\$200,000,000".

The committee amendment was agreed to.

(Mr. JOHNSON of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, I respectfully urge my colleagues in the House to take favorable action on H.R. 12653, a bill which I introduced on July 23 of this year to increase the effectiveness of the Farmers Home Administration's insured loan program. Under the original provisions of my measure, the Consolidated Farmers Home Administration Act of 1961 would be amended in order to raise the amount of loans which may be insured by FHA each year from \$150 million to \$300 million.

Hearings were held on the proposed legislation on August 27 by the House Agriculture Committee's Conservation and Credit Subcommittee, which favorably reported the measure to the full committee. On September 12, members of the House Agriculture Committee

voted to favorably report an amended version of the bill which would increase the annual ceiling on the FHA insured loan program to \$200 million in order to take care of the immediate emergency facing this important and worthwhile program.

During the past fiscal year, which ended June 30, the demand for these FHA loans was so great that the \$150 million annual insurance authorization was exhausted by May 11. Because of the large number of applications on hand and the increasing demand for this type of credit, FHA officials estimate that the present limit on the fiscal 1963 program will be reached by December 31—6 months before the close of the fiscal year. Passage of H.R. 12653 will enable the program to continue through the first few months of 1963 and give the 88th Congress time to consider a long-range remedy for the existing problem. I intend to introduce such a long-range bill on the opening day of the 88th Congress.

Mr. Speaker, in the meanwhile, I feel we must deal with the immediate emergency. For the past few months, insured loans have been made at the rate of about \$25 million per month, which adds up to \$300 million a year. During fiscal 1962, applications for insured loans were received at the rate of 3,600 a month. As of June 30, 1962, county FHA offices reported they had 16,561 insured loan applications on hand. Of that number, 4,470 had been processed to the point where it was determined that loans could be made.

In my home State of Wisconsin, nearly 600 applications for initial FHA farm ownership loans were on hand at the end of June. In the 12-month period preceding July 1, about 1,500 of these loans were made to Wisconsin farm families.

As you know, the FHA insured loan program is a cooperative program with private investors and does not require appropriations from the U.S. Treasury. Private investors provide funds to help eligible farmers enlarge, develop and buy family farms, to refinance debts and to develop community water systems. The loans are made and serviced by the Farmers Home Administration, which collects the principal and interest payments when due and forwards the receipts to the lenders after retaining one-half of 1 percent for insurance. Lenders agree to hold the notes for at least 3 years. If borrowers default, the Government agrees to make the payments.

Insured loans are made only when a farmer is unable to obtain the credit he needs from other sources. Banks, pension funds, insurance companies and trust funds are the principal investors. The loans return 4.5 percent interest to the lender.

Mr. Speaker, since the FHA insured loan program was started in 1947, \$15,652,259 has been invested in Wisconsin alone. For the Nation as a whole, the figure stands at approximately \$390 million. Repayments of principal have totaled more than \$100 million. Losses have amounted to less than one-tenth of 1 percent, which certainly is a small loss for a loan program.

Several factors contributed to the

rapid increase in the volume of farm ownership loans during fiscal 1962. The Agricultural Act of 1961 broadened the scope of the farm ownership program to enable FHA to make loans to acquire and enlarge the full range of family farms. Previously, FHA was limited to making such loans on a rather narrow segment of family farms. In addition, insured loans can now be made for 100 percent rather than 90 percent of the normal value of the farm.

The act also improved the insured loan program by making it more attractive to investors. They now may receive 4½ percent interest on their investment rather than 4 percent and can sell the insured notes back to the Federal Government after 3 years rather than 5 years.

Mr. Speaker, the trend toward larger farms has naturally increased the demand for farm enlargement loans. As the rural areas development program gains momentum, an even larger number of small farmers will be encouraged to take advantage of this method of rounding out their farms.

The increasing use of credit in purchasing farmland also contributes to the demand for FHA loans. More than 80 percent of all land purchases during the year ending March 1 involved the use of credit, which is a record high. As recently as 1946, less than half of farmland transfers were credit financed.

The growing percentage of farmland transfers financed with the use of an installment sales contract has influenced the rise in FHA real estate loans. In 1946, only 11 percent of all transfers were made by contract. This year, about 30 percent of all transfers are being made with this financing device. Many of these contracts contain terms that cannot be met by the farmer and result in his applying to the Farmers Home Administration for refinancing.

Last, but not least, it is my opinion that farmers are aware that the present Administration is more responsive to their needs, and this has prompted many to seek credit assistance.

Mr. Speaker, the funds for investment under the FHA insured loan program are available. One of the most progressive of our labor unions has offered to invest \$10 million in these loans over a 4-year period. The funds of this organization, as well as those of the banks and other lenders which are investing in insured farm loans, will be diverted to other markets unless prompt action is taken.

Obviously, the FHA insured loan program has many merits. Farmers who receive the loans are able to strengthen their operations. Rural communities in which the loans are made are fortified not only by the improvements financed by the loans, but also with the increased trade that is brought about by the expenditure of loan funds.

In addition, the use of insured loan funds rather than appropriated funds lessens the strain on the U.S. Treasury. An increase in the authorized amount of insured loans will reduce the need for direct Government loan funds for farm ownership and soil and water conserva-

tion loans. During fiscal 1962, the obligation of direct funds was discontinued almost entirely for several months while the \$150 million of insured loan authority was available. Under current money market conditions, an increase in the loan insurance authorization would permit meeting the credit needs of most of the applicants for farm ownership and soil and water conservation loans with insured funds, thus effecting a savings in sums authorized to be obligated for direct loans.

Mr. Speaker, the House Agriculture Committee, of which I am a member, heard testimony last month on the Committee for Economic Development's "Adaptive Program for Agriculture," which proposes to dispose of the farm problem over a 5-year period by moving 2 million farmers off the land and into the cities—already plagued by unemployment. Rather than adding 2 million displaced farmers to the ranks of the unemployed, I feel a much more humanitarian and practical solution would be the enactment of various types of farm legislation to help farmers stay in rural communities. H.R. 12653 certainly falls into this category.

The need is apparent. Thousands of family-type farmers will be deprived of the credit they need to continue and strengthen their operations unless prompt action is taken in this area. If action to raise the ceiling on the FHA insured loan program is delayed until the next Congress meets, there will be several months when credit of this type is not available to our farmers. This period will occur at a time of year when the funds are most needed. I urge my colleagues to take favorable action on H.R. 12653 so that it can be enacted into law before the close of the 87th Congress.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938 RELATING TO LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended to change the language enclosed in parenthesis in the first sentence of section 316(a) to read "(other than a Burley tobacco acreage allotment, and for the 1963 crop year, other than a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment)."

With the following committee amendments:

Page 1, line 4, strike out "to change" and insert "(1) by changing".

Page 1, line 9, strike out the period, add a semicolon following the quotation marks and the following: "and (2) by striking the period and inserting at the end of the second sentence of subsection 316(b) the following: ': Provided, That no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco.' "

The committee amendments were agreed to.

(Mr. JOHNSON of Wisconsin asked and was given permission to extend his remarks at this point in the Record.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, I want to urge my colleagues in the House to take favorable action on H.R. 12855, a bill which I introduced on August 9 of this year. Under the provisions of this measure, cigar-filler and cigar-binder tobacco would be exempted from the tobacco allotment leasing provisions of the 1963 tobacco program. Included in this category are types 42, 43, 44, 53, 54, and 55 tobacco.

Tobacco growers in my home State of Wisconsin raise types 54 and 55 tobacco, and they are unanimously in their support of this bill. The need for this legislation was called to my attention by the two major farm organizations in the State, the Wisconsin Farmers Union and the Wisconsin Farm Bureau Federation.

Subsequently, the directors of the Northern Wisconsin Cooperative Tobacco Pool of Viroqua, Wis., unanimously adopted a resolution which reads, as follows:

Resolved, That the board of directors of the Northern Wisconsin Cooperative Tobacco Pool go on record as being opposed to the lease and transfer of tobacco acreages for 1963 and that they encourage Members of our U.S. Congress to take the necessary action to have Wisconsin excluded from this law.

George E. Nettum, general manager of this tobacco cooperative, and J. Clark Johnson, a director, came here from Wisconsin in order to testify in support of my bill at hearings held August 27 by the Tobacco Subcommittee of the House Agriculture Committee.

Also making the trip to Washington to testify in favor of the legislation were Eugene Bergum, manager of the Wisconsin Cooperative Tobacco Growers Association of Edgerton, Wis., and William KasaKaitas, secretary of the Wisconsin Farm Bureau Federation. Gilbert Rohde, president of the Wisconsin Farmers Union, submitted a statement in support of the measure, as did Robert Cool, manager of the Cigar Tobacco Cooperative, of Miamisburg, Ohio, whose members grow types 42, 43, and 44 tobacco.

Mr. Speaker, it is my opinion—and the opinion of the tobacco growers I have mentioned—that the allotment leasing program in cigar-filler and cigar-binder tobacco is operating against the intent of the tobacco program. The present supply and demand situation in these types of tobacco required Wisconsin growers to take a 15 percent cut in allotments in 1962. However, this reduc-

tion has been offset to a large extent by the leasing of tobacco acreage allotments that are not being used on the farms to which they have been allotted.

In 1961, only 71.8 percent of Wisconsin's total tobacco acreage allotment of 19,110 acres was used for harvest. During that year, 2,159 of the 6,619 farms with tobacco allotments grew no tobacco at all. However, in 1962, tobacco allotments from 581 farms have been leased to 678 farms in the State. These leases involved 921.05 acres of tobacco land.

To put it another way, 8,300 acres of northern Wisconsin—or type 55—tobacco were harvested in 1961. According to a U.S. Department of Agriculture estimate made on July 1 of this year, around 7,500 acres of type 55 tobacco will be harvested in Wisconsin this fall. This acreage represents about a 10 percent reduction over 1961—which is 5 percent short of the required 15 percent allotment reduction.

As far as southern Wisconsin—or type 54—tobacco is concerned, it was harvested on 5,400 acres in 1961. This year, an estimated 4,900 acre of type 54 tobacco have been planted. This reduction falls short of the desired cut of 15 percent by better than 5 percent. Since Wisconsin tobacco raisers have had an excellent growing season, it is safe to assume that the supply of cigar-binder and cigar-filler tobacco will exceed the demand by better than 5 percent. As a result, tobacco growers will be faced with an even greater reduction in allotments for 1963.

Mr. Speaker, we are all well aware that even a 5-percent excess supply can upset markets, drive down prices, and create a surplus which could endanger the stable system we have established through the tobacco program. It has been a very successful program, which, over the years, has enabled tobacco farmers to receive close to 90 percent of parity for their product without substantial cost to taxpayers. Tobacco farmers have demonstrated their willingness to adjust supply to demand in order to get a fair price in the marketplace. Their support of this program is evidenced by the fact that 95.4 percent of the tobacco growers voting in the 1960 Wisconsin tobacco referendum approved a tobacco supply-adjustment program covering the next 3 years.

Our present difficulty in the cigar-binder and cigar-filler tobacco area arises not because the tobacco growers have been unwilling to make the required 15 percent cut in production, but rather because the new tobacco allotment leasing provision encourages them to lease unused allotments and bring them back into production. This situation works a hardship on the regular grower, who has made the required reduction in production and is left with an uneconomic unit and the unhappy choice of either bidding against others for whatever acreage is available for lease—or else retiring from active tobacco growing and leasing his allotment to those who remain.

Obviously, this arrangement introduces an unnecessary cost factor into tobacco production. Furthermore, it tends

to discriminate against the smaller farmer who does not have the ready cash necessary to successfully bid for the allotments which are available for lease.

Mr. Speaker, the tobacco allotment leasing provision is not operating in the best interest of the producers of cigar-filler and cigar-binder tobacco. Matter of fact, it is working in this area against the worthwhile purpose of supply adjustment which is the intent of the tobacco program. It seems absurd to foster a situation where, on one hand, reductions in allotments are required in order to balance supply with demand while, on the other hand, unused allotments are allowed to be leased and brought back into production.

Wisconsin tobacco growers are rightly concerned over the fact that continuation of the leasing provisions will require greater reductions in allotments to accommodate the unused acres brought back into production through leasing arrangements. Ohio tobacco growers share this concern.

Immediately following the hearings on H.R. 12855, the tobacco subcommittee favorably reported the bill to the full House Agriculture Committee, which approved the measure on September 12. I respectfully urge my colleagues in the House to take favorable action on this measure, so that it can be enacted into law before the adjournment of this Congress. Since the legislation applies to the 1963 tobacco program, the need for early action is abundantly clear.

Mr. McCULLOCH. Mr. Speaker, I am pleased that H.R. 12855, to amend the Agricultural Adjustment Act of 1938, relating to the lease and transfer of tobacco acreage allotments, was scheduled for consideration this week. I am pleased that it has been reached for final vote today.

There are more than 1,200 cigar filler type tobacco growers in the Great Miami Valley of Western Ohio. These growers, in large part, are members of the Ohio Farm Bureau Federation and of the Cigar Tobacco Cooperative, which Cooperative is managed by Robert Cool of Arcanum, Darke County, Ohio, which is in the Fourth Congressional District of Ohio that I have the honor to represent. These organizations favor H.R. 12855, as amended by the Committee on Agriculture.

Ohio tobacco growers, of the cigar filler type, produced more than 8 million pounds of tobacco in 1961 and such production exceeded use by almost 2 million pounds, for the past 2 years. In addition, there is more than 25 million pounds of this type of tobacco on hand, which is in surplus, and any act or failure to act which increases such surplus is not in the best interest of the producers or the public.

For that reason, as well as for other reasons which need not be discussed at this time, H.R. 12855 should be passed by the House, today.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FEDERAL-STATE COOPERATION

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12802) to provide further for cooperation with States in administration and enforcement of certain Federal laws.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to avoid duplication of functions, facilities, and personnel, and to attain closer coordination and greater effectiveness and economy in administration of Federal and State laws and regulations relating to the marketing of agricultural products and to the control or eradication of plant and animal diseases and pests, the Secretary of Agriculture is hereby authorized in the administration and enforcement of such Federal laws within his area of responsibility, whenever he deems it feasible and in the public interest, to enter into cooperative arrangements with State departments of agriculture and other State agencies charged with the administration and enforcement of such State laws and regulations and to provide that any such State agency which has adequate facilities, personnel, and procedures, as determined by the Secretary, may assist the Secretary in the administration and enforcement of such Federal laws and regulations to the extent and in the manner he deems appropriate in the public interest.

Further, the Secretary is authorized to coordinate the administration of such Federal laws and regulations with such State laws and regulations wherever feasible. However, nothing herein shall affect the jurisdiction of the Secretary of Agriculture under any Federal law, or any authority to cooperate with State agencies or other agencies or persons under existing provisions of law, or affect any restrictions of law upon such cooperation.

Mr. GROSS. Mr. Speaker, will the gentleman yield for a question?

Mr. POAGE. I yield.

Mr. GROSS. This is not a bill, is it, that rotates these agricultural attachés?

Mr. POAGE. It is not, but I yield to the gentleman from Missouri [Mr. JONES], to answer more fully. The bill came from his subcommittee.

Mr. JONES of Missouri. No, it has nothing to do with that. It was approved unanimously by both the subcommittee and the full committee. It does not add any cost. It merely clarifies existing regulations and provides for cooperation between State and Federal Governments on certain programs. In some cases it would avoid a duplication of services that are being rendered by both the Federal and the State Governments. It would provide that State employees in some instances might do the work required at the present time of Federal employees. It would avoid duplication and to that extent result in economy to both the Federal Government and the State governments.

It does not take away any authority that now exists.

Mr. GROSS. Does it give any additional authority to the Secretary of Agriculture? That is the Federal Secretary of Agriculture?

Mr. JONES of Missouri. The only additional authority he would be given would be in case of duplication of services being performed, in which case he could say it could be performed by one service.

Mr. GROSS. As between the States and the Federal Government?

Mr. JONES of Missouri. That is right.

Mr. GROSS. But it does not require him to cooperate with the State government unless they both want it. Is that about the way it goes?

Mr. JONES of Missouri. That is right.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I gladly yield to the gentlelady from Missouri.

Mrs. SULLIVAN. I would like to ask either the chairman or the author of the bill whether this bill applies to Federal meat inspection.

Mr. SMITH of Iowa. The bill does not cover Federal meat inspection. I would hope that if and when protection from meat inspection is extended, a provision would be put in that bill to encourage cooperation.

Mrs. SULLIVAN. At least it does not weaken the Federal meat inspection laws as they now exist?

Mr. SMITH of Iowa. No.

Mr. JONES of Missouri. I think the following statement from the report states the matter very clearly:

For example, should the Secretary enter into an agreement to cooperate with a State in carrying out Federal meat inspection, the eligibility and sanitation requirements of such inspection would be those of the Federal statute; the inspection would be Federal inspection, not State inspection, even though it might be carried out by a State employee; and the Federal policy that meat inspection may be done only by an employee paid with public funds would be controlling.

Mr. QUIE. Mr. Speaker, I rise in support of H.R. 12802. For some time I have been concerned with duplication of similar actions by Federal and State agencies. Because of this concern, I have introduced an identical bill to that of the gentleman from Iowa, the Honorable NEAL SMITH.

This legislation is long overdue and will make laws already on the statute books more workable. In areas of pest and disease control and marketing assistance, there is much room for improvement.

In many instances, similar projects are now carried out by both the State and Federal Governments. These projects could be implemented entirely by State personnel.

It is my belief that this legislation will strengthen the role of State governments and in some cases, eliminate duplication by Federal and State officials.

The duplication could be avoided by many means. The use of grants-in-aid technical assistance and State supervision and direction, to mention a few. The general rules, regulations and uniform training could come from the Federal agencies.

There are many areas in my home State of Minnesota in which duplication could be avoided. Barberry eradication, control of white pine blister rust, and inspection of chicks, hatching eggs, and pouls are a few.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the three bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORRECTION OF ROLLCALL

Mr. BARRY. Mr. Speaker, on rollcall No. 222 of yesterday I answered to my name. I was present, although I am shown as being absent. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORITY OF FHA TO MAKE PAYMENTS IN LIEU OF TAXES UPON ACQUIRING CERTAIN MILITARY HOUSING

Mr. RAINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13067) to amend title VIII of the National Housing Act with respect to the authority of the Federal Housing Commissioner to pay certain real property taxes and to make payments in lieu of real property taxes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 811. (a) The Commissioner is authorized to make payments in lieu of taxes on any real property to which title has been or is hereafter acquired by him in fee under section 803 as effective prior to August 11, 1955, and on which taxes or payments in lieu of such taxes were payable or paid prior to acquisition by the Commissioner. Such payments may be made in connection with tax years occurring prior to or subsequent to the date of the enactment of this section. The amount of any such payments shall not exceed taxes on similar property and shall not be included in interest or penalties. If the Commissioner has acquired or hereafter acquires title in fee to real property by foreclosure or by transfer from some other department or agency of the Government or otherwise during a tax year, he may make a payment in lieu of taxes prorated for that portion of the year remaining after his acquisition of title. This subsection shall not authorize any lien against property held by the Commissioner, nor the payment of any tax, nor any payment in lieu of any tax, on any interest of the Commissioner as lessee or mortgagee.

"(b) Nothing in this title shall be construed to exempt any real property which has been or is hereafter acquired and held by the Commissioner under section 809 or 810 from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed."

The SPEAKER pro tempore. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RAINS. Mr. Speaker, this is a very simple bill designed to permit the FHA Commissioner to pay local real estate taxes on certain military housing projects which he has acquired, just as he now does on any other projects. In the original Wherry Act authorizing FHA mortgage insurance for military housing, FHA had authority to pay local real estate taxes if it should acquire any of the properties. When this law was amended in 1955 to substitute the Capehart program that authority was omitted. This bill would restore that authority for certain Wherry projects.

This bill is highly deserving in my judgment. It applies only to Wherry Act projects on which taxes were being paid prior to acquisition. It would be highly unfair to undermine the local tax base just because the FHA Commissioner acquired the property. If local government is to meet its responsibilities we should not rob them of tax revenue. We do not do that now under any other FHA program.

The dollar impact of this bill would be very small. It would permit the FHA Commissioner to meet his responsibilities on two existing projects, one in Paducah, Ky., and one in Florida. Also, it would permit him to pay taxes on any properties he might acquire under two other small programs—sections 809 and 810. This bill has the full support of the administration and I hope will have the support of all of my colleagues.

Mr. Speaker, it would put on the local tax rolls these two projects which should have been on the local tax rolls all the time.

(Mr. STUBBLEFIELD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. STUBBLEFIELD. Mr. Speaker, during the Korean war the Atomic Energy Commission constructed an atomic energy plant just outside of Paducah, Ky. Before construction began on this project, Paducah had a population of approximately 32,000 people. At one stage of construction there were 28,000 additional persons working at the AEC plant. This, of course, caused quite a housing problem. In order to alleviate this problem a housing project consisting of 350 individual units and 150 apartment units was constructed. This was known as the Forest Hills project.

This project was built in 1954 at the insistence of the Atomic Energy Commission over the three times refusal by the Federal Housing Administration. Further, civic leaders in the city of Pa-

ducah opposed construction of the Forest Hills project.

In 1956, the Federal Housing Administration foreclosed on Forest Hills because of the builders inability to pay for the project. At that time it was less than 25 percent occupied and that situation is the same today. Several proposals have been made both by the city of Paducah and by FHA for the disposal of this property. In one instance, FHA wanted to subdivide the property for individual sales, but this would have required over 400 exceptions to Paducah's zoning ordinances.

City records indicate that FHA paid \$32,007.78 for 1957 taxes, \$32,142.53 for 1958, and \$33,004.26 for 1959. Then, with the advice of their legal office, FHA discontinued taxpayments although the city of Paducah was and still is furnishing schools, police and fire protection, sewers and refuse collection and other city services. This has created a real burden on the city.

This bill, H.R. 11604, would permit the Federal Housing Authority to pay taxes on repossessed housing projects built under provisions of the Wherry housing program. Forest Hills was built under these provisions. At the present time there are no provisions for this type payment although other property acquired by the Commissioner of FHA is subject to taxes or payments in lieu of taxes. H.R. 11604 would merely authorize the same types of tax payments on repossessed projects built under the Wherry program as are already authorized for FHA programs generally.

Most people tend to think of Wherry projects as housing on military bases. This is primarily true, and of course these type projects would not be affected as they are located on Government property. Forest Hills was not built on a military reservation nor was it built for military personnel.

In its report dated August 29, 1962, the Housing and Home Finance Agency has recommended enactment of H.R. 11604. Also, the Bureau of the Budget has advised that there is no objection to the bill from the standpoint of the administration's program.

Although I am vitally concerned with the ultimate resolution of this problem as concerns the final disposition of the property, I am at the present primarily interested in seeing that an equitable solution is found regarding the payment of taxes on this property. Enactment of H.R. 11604 is definitely needed in order to correct the existing inequity.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Alabama that the House suspend the rules and pass the bill H.R. 13067.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Further proceedings on this matter will go over until tomorrow.

Mr. GROSS. I withdraw my point of order, Mr. Speaker.

87TH CONGRESS
2D SESSION

H. R. 12855

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 1962

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 is further amended (1) by changing the language enclosed
5 in parenthesis in the first sentence of section 316(a) to read
6 “(other than a Burley tobacco acreage allotment, and for
7 the 1963 crop year, other than a cigar-filler and cigar-binder
8 (types 42, 43, 44, 53, 54, and 55) tobacco acreage allot-
9 ment)” ; and (2) by striking the period and inserting at the
10 end of the second sentence of subsection 316(b) the follow-
11 ing: “: *Provided*, That no such lease shall be renewed for

- 1 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53,
2 54, and 55) tobacco."

Passed the House of Representatives September 18,
1962.

Attest:

RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
2d SESSION

H. R. 12855

AN ACT

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

SEPTEMBER 19, 1962

Read twice and referred to the Committee on Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of Oct. 1, 1962
87th-2d, No. 178

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HIGHLIGHTS: For highlights see page No. 8.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 20245
S. 3756, without amendment, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 wheat crop shall be applicable to any farm on which acreage of wheat exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963 (instead of 1959, 1960, or 1961) (S. Rept. 2224).
- H. R. 12653, without amendment, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under the Act (S. Rept. 2220).
- H. R. 10708, with amendment, to amend the Rural Electrification Act with respect to financing communication facilities for transmission of sounds, signals, pictures, writing, and signs, as well as voice (S. Rept. 2221).

THE AGRICULTURE AND FORESTRY REPORTED:

H. R. 12855, without amendment, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotment so as to exclude cigar-filler and cigar-binder tobacco, types 42,43,44,53,54, and 55 from the lease and transfer authority (S. Rept. 2222).

H. R. 946, without amendment, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen (S. Rept. 2219).

S. 3370, with amendment, to authorize the Secretary of Agriculture to relinquish to Wyo. jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District (S. Rept. 2223).

2. APPROPRIATIONS; BUDGET. Received from the President supplemental appropriations for fiscal year 1963 for this Department (S. Doc. 152) (p. 20245). Attached to this Digest is a summary of the items pertaining to this Department.

3. PUBLIC WORKS APPROPRIATION BILL, 1963. Passed with amendments this bill, H.R. 12900. Conferees were appointed. pp. 20239-45

4. FARM PROGRAM. Sen. Humphrey criticized charges of the Republican National Committee against the Food and Agriculture Act of 1962 as "a deliberate and reckless attempt to turn farmers against consumers and city dwellers against rural America," and defended the Act against these charges. Sen. Kuchel defended the charges and contended that the farm bill had merited defeat. pp. 20335-6

Sen. Kuchel inserted an editorial critical of the farm program and relating experiences of Sen. Anderson in conducting farm operations under the program. p. 20336

5. WORLD FOOD CONGRESS. The "Daily Digest" states that the Foreign Relations Committee approved with amendment S. 3679, to authorize funds to enable the U. S. to extend an invitation to the Food and Agricultural Organization of the U. N. to hold a World Food Congress in the U. S. in 1963. p. D917

6. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Crooked Bayou, Ark.; West Fork Pond River, Ky., and Hardin Creek and Mill Creek, Tenn. p. D916

7. PUBLIC WORKS. The Public Works Committee reported without amendment (an original bill) S. 3773, the public works authorization bill (S. Rept. 2258), p. 20246

8. FOREIGN AID APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 13175 (pp. 20248, 20260-2, 20270-92, 20298-329). By a vote of 34 to 40, rejected an amendment by Sen. Ellender to reduce by \$200 million the amounts for development loans and economic assistance (pp. 20314-9).

9. STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12580 (S. Rept. 2226). p. 20245

10. STATISTICS. The Post Office and Civil Service Committee reported without amendment H. R. 7791, to provide for the collection and publication of foreign commerce and trade statistics (S. Rept. 2217). p. 20245

Calendar No. 2184

87TH CONGRESS }
2d Session }

SENATE

{

REPORT
No. 2222

EXCEPTING CIGAR-FILLER AND CIGAR-BINDER TOBACCO FROM ALLOTMENT LEASING AUTHORITY

OCTOBER 1, 1962.—Ordered to be printed

Mr. PROXMIRE, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany H.R. 12855]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would exclude 1963 allotments for cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55 from the law applicable in 1962 and 1963 to permit 1 year leases of tobacco allotments. The bill is further explained in the attached report of the House Committee on Agriculture.

[H. Rept. 2380, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 4, strike out "to change" and insert "(1) by changing".

Page 1, line 9, strike out the period, add a semicolon following the quotation marks and the following: "and (2) by striking the period and inserting at the end of the second sentence of subsection 316(b) the following: '*Provided*, That no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco.'"

PURPOSE

In 1961 Congress authorized (Public Law 87-200), on an experimental basis for the years 1962 and 1963, the transfer by lease of tobacco acreage allotments. For reasons peculiar to burley tobacco, this type was not included in the transfer authority. It now appears that another type of tobacco (cigar-filler and cigar-binder, grown generally in Wisconsin) should also have been omitted from this legislation. This bill will exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55, along with Burley, from the transfer authorization of the Act.

COMMITTEE AMENDMENT

The committee amendment is to make it clear that the exclusion of the types of tobacco named in this bill from the transfer authority of the act for 1963 will also prohibit the renewal for 1963 of any such transfer agreement which may have been made for 1962.

COST

There would be no additional cost to the Government as the result of this legislation.

DEPARTMENTAL POSITION

Following is the letter from the Secretary of Agriculture stating that the Department has no objection to the enactment of this bill and outlining in some detail the acreage situation which makes the legislation desirable.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 24, 1962.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. COOLEY: This is in reply to your request of August 16, 1962, for a report on H.R. 12855, a bill to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

This Department has no objection to the enactment of this bill.

The bill would exclude cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotments for the 1963 crop year from existing legislation which provides for the lease and transfer of tobacco (except burley) acreage allotments for the 1962 and 1963 crop years. Public Law 87-200, approved September 6, 1961, amended the Agricultural Adjustment Act of 1938, as amended, by adding a new section 316 providing for the lease and transfer of tobacco acreage allotments (other than a burley tobacco acreage allotment) for the crop years 1962 and 1963.

In reporting on the bill which provided for the lease and transfer of all tobacco acreage allotments, the Department recommended that its provisions be made applicable to all commodities for which marketing quotas were in effect. The

bill was amended in the Senate to exclude burley tobacco. During 1962, tobacco allotments were leased and transferred from 20,240 farms. This represents about 7.5 percent of all farms with allotments, exclusive of burley. The acreage leased and transferred in 1962 represents about 3.2 percent of the total allotted acreage, exclusive of burley.

There is substantial underplanting of allotments for cigar-filler and binder tobacco. The total acreage allotted for 1961 was 25,376 acres and 18,300 acres were grown. Thus, almost 28 percent of the allotments were not grown. For 1962, 804 allotments of cigar-filler and binder tobacco have been leased and transferred. The total acreage leased is 1,363 acres, about 6.5 percent of the 1962 allotted acreage. Cigar-filler and binder tobacco farm acreage allotments were reduced 15 percent for 1962 in order to adjust supplies to demand. Loan holdings of cigar-binder (types 54 and 55) tobacco on July 31, 1962, totaled 10,553,000 pounds, farm weight. No loans are outstanding on cigar-filler (types 42, 43, and 44) tobacco or type 53, cigar-binder tobacco.

In view of the traditional pattern of underplanting of allotments for cigar-filler and binder tobacco, there is a possibility of increased unneeded production in 1963 through expanded use of the lease and transfer provisions.

The enactment of this proposed legislation would have no significant effect upon the expenditure of administrative funds or Commodity Credit Corporation capital funds.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment [(other than a burley tobacco acreage allotment)] (*other than a Burley tobacco acreage allotment, and for the 1963 crop year, other than a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment*) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum

of the allotment for the farm was actually planted during each of the years 1960 and 1961.

(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree: *Provided, That no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco.*

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.*

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

Calendar No. 2184

87TH CONGRESS
2^D SESSION

H. R. 12855

[Report No. 2222]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 1962

Read twice and referred to the Committee on Agriculture and Forestry

OCTOBER 1, 1962

Reported by Mr. PROXMIRE, without amendment

AN ACT

To amend the Agricultural Adjustment Act of 1938 relating to the release and transfer of tobacco acreage allotments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 is further amended (1) by changing the language enclosed
5 in parenthesis in the first sentence of section 316 (a) to read
6 “(other than a Burley tobacco acreage allotment, and for
7 the 1963 crop year, other than a cigar-filler and cigar-binder
8 (types 42, 43, 44, 53, 54, and 55) tobacco acreage allot-
9 ment)”; and (2) by striking the period and inserting at the
10 end of the second sentence of subsection 316 (b) the follow-
11 ing: “: *Provided*, That no such lease shall be renewed for

87TH CONGRESS H. R. 12855
2d SESSION

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- 1 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53,
2 54, and 55) tobacco."

Passed the House of Representatives September 18,
1962.

Attest:

RALPH R. ROBERTS,

Clerk.

Oct. 2 1962

11. LOANS. Passed without amendment H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under the Act. This bill will now be sent to the President. pp. 20491-2
Passed without amendment H. R. 946, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen. This bill will now be sent to the President. p. 20491
12. SCHOOL LUNCH. Both Houses received and the Senate agreed to the conference report on H. R. 11665, to amend the National School Lunch Act so as to revise the formula for apportioning cash assistance funds to States to base it on the number of lunches served in the preceding year and a slightly modified assistance need factor (instead of on the number of children aged 5 to 17 and the assistance need factor) and provide for a three-year transition to the new formula (25 percent of the funds being apportioned on the new formula the first year, 50 percent the second year, and 75 percent on the new formula the third year) (H. Rept. 2512). pp. 20535, 20595-6, 20571, 20650
13. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 57 to 24, passed with amendments this bill, H. R. 13175. Conferees were appointed. pp. 20446-68, 20494-5, 20500-03, 20510-3
14. WORLD FOOD CONGRESS. The Foreign Relations Committee reported with amendment S. 3679, to authorize appropriations to enable the U. S. to extend an invitation to the Food and Agricultural Organization of the U. N. to hold a World Food Congress in the U. S. in 1963 (S. Rept. 2263). p. 20514
15. MINERALS. Passed as reported S. 1696, to authorize the Secretary of the Interior to conduct a survey of federally-owned lands for the purpose of locating strategic minerals. pp. 20475-6
16. TOBACCO. Passed without amendment H. R. 12855, to amend the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55 from the lease and transfer authority. This bill will now be sent to the President. p. 20492
17. ELECTRIFICATION. Passed as reported H. R. 10708, to amend the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures, writing, or signs as well as voice. p. 20492
18. EDUCATION. Passed as reported S. 3477, to provide a program to assist the States in further developing their programs of general university extension education to be operated by the State universities and land-grant colleges. pp. 20476-8
19. FORESTRY. Passed as reported S. 3370, to authorize the Secretary of Agriculture to relinquish to Wyo. jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District. p. 20492
Sen. Yarborough inserted an article discussing the purpose and problems of the national parks, "National Parks - A National Issue." pp. 20492-3
20. BONDING. Received from Treasury a report on operations in connection with the bonding of Government officers and employees for fiscal year 1962. pp. 20513-4
21. COMMUNICATIONS. The Government Operations Committee reported without amendment H. R. 11899, to amend the Federal Property and Administrative Services Act so

as to provide for a Federal telecommunications fund (S. Rept. 2262). p. 20514

22. WATER POLLUTION. Passed without amendment H. R. 10617, to give the U. S. district courts concurrent original jurisdiction of cases involving the pollution of interstate river systems where the pollution is an alleged violation of an interstate compact and the signatory States have consented to such jurisdiction in their compact. This bill will now be sent to the President. pp. 20479-80
23. PUBLIC LANDS. Passed without amendment H. Con. Res. 574, to authorize the compiling and printing of a U. S. map showing the extent of public surveys, national forests, national parks, reclamation projects, etc. p. 20487
24. APPROPRIATIONS. Sen. Smathers submitted notice of his intention to suspend the rules for the purpose of proposing an amendment to H. R. 13290, the supplemental appropriation bill, so as to include the provisions of a recently passed bill to provide for retirement plans for self-employed individuals. pp. 20515-21
25. PASSED OVER the following bills:
S. 2225, to fix the fees payable to the Patent Office. p. 20473
H. R. 8140, to strengthen the laws relating to conflict of interest. p. 2048
26. LIBRARY. Sen. Jordan inserted a report of the Library of Congress on its functions and programs. pp. 20523-31
27. TRADE FAIRS. Conferees were appointed on S. 3389, to promote the foreign trade of the U. S. through the use of mobile trade fairs. House conferees have not yet been appointed. p. 20535
28. MIGRATORY BIRDS. Concurred in the House amendment to S. 3504, to authorize the appropriation of \$7500 for expenses of the Migratory Bird Conservation Commission. This bill will now be sent to the President. p. 20540
29. TRANSPORTATION. Agreed to the conference report on S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State. This bill will now be sent to the President. pp. 20546-7
30. PATENTS. Passed as reported S. 2639, to amend title 35, U.S.C., to permit a written declaration to be accepted in lieu of an oath from applicants for patents or trademarks. pp. 20566-7
Passed as reported H. R. 12513, to provide for public notice of settlements in patent interferences. p. 20566
31. STATE-JUSTICE-COMMERCE APPROPRIATION BILL, 1963. This bill, H. R. 12580, was made the unfinished business of the Senate. p. 20567
32. WATERSHEDS. The "Daily Digest" states that the Public Works Committee "in executive session, approved the following watershed projects: Tobeoskee Creek, Ga.; Cottonwood Creek, Okla.; Delaware Creek, Okla.; and Boulder Lake Watershed, Wyo." p. D927
33. LEGISLATIVE PROGRAM. Sen. Mansfield announced that H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflict of interest, will be considered on Wed., followed by the State, Justice, and Commerce appropriation bill; the conference report on the drug bill; and the conference report on the

The bill (S. 3760) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201 of the National Defense Education Act of 1958 is amended by striking out "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years" and inserting in lieu thereof "for the fiscal year ending June 30, 1962, \$125,000,000 each for the fiscal year ending June 30, 1963, and the succeeding fiscal year".

(b) Section 203(b) of such Act is amended by striking out "\$250,000" and inserting in lieu thereof "\$500,000".

SEC. 2. Section 302(a)(4) of such Act is amended to read as follows:

"(4) The amount of any State's allotment under this subsection for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State plan (if any) approved under this part for which such allotment is available shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under this subsection, but with such adjustments as may be necessary to prevent reallocation to any State of any sum in excess of the amount which the Commissioner estimates it needs and will be able to use for such year for carrying out the part of the State plan for which the amount reallocated would be available. Any amount reallocated to a State under this paragraph during the year from funds appropriated pursuant to the first sentence of section 301 shall be deemed part of its allotment under this subsection for such year."

SEC. 3. Section 303(a)(1) of such Act is amended by striking out "suitable" and inserting in lieu thereof the following: "and of test-grading equipment, equipment for use by teachers or students in public elementary or secondary schools for producing or reproducing audiovisual materials for instructional purposes, and specialized equipment for audiovisual libraries or centers serving such schools".

EXTENSION TO OYSTER PLANTERS OF BENEFITS OF DISASTER LOANS FOR FARMERS AND STOCKMEN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2181, House bill 946.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 946) to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2219—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry to whom was referred to bill (H.R. 946), to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen, having considered

the same, report thereon with a recommendation that it do pass without amendment.

This bill would authorize disaster loans to oyster planters under subtitle C of the Consolidated Farmers Home Administration Act of 1961. Hearings were held by the subcommittee in charge of this legislation and have been printed. There was no opposition to the bill.

At the hearing several witnesses proposed an amendment to include shrimp fishermen. The committee considered this amendment carefully, but felt that the inclusion of fishermen who move from place to place in their operations and whose operations have none of the incidents of farming should not be included in a farm loan bill. As pointed out in the attached report of the House Committee on Agriculture, oystermen generally are not covered by the bill, but only oyster planters. Oyster planters plant, cultivate, and harvest their crops like other farmers and have been treated as farmers in other farm loan legislation.

The report * * * of the House Committee on Agriculture * * * further explains the bill and the need for its enactment:

[H. Rept. No. 1502, 87th Cong., 2d sess.]

"The Committee on Agriculture, to whom was referred the bill (H.R. 946) to extend oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

"The amendments are as follows:

"Strike out all after the enacting clause and insert:

"That subsection (v) of section 321 of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out "farmers or ranchers" and inserting "farmers, ranchers, or oyster planters" and by striking out "farming or ranching" and inserting "farming, ranching, or oyster planting"."

PURPOSE

"The bill would amend the emergency loan provisions of the Consolidated Farmers Home Administration Act of 1961 to make it clear that oyster planters are included among the eligible recipients of such loans.

"Emergency loans as authorized by this act may be made by the Farmers Home Administration only in so-called disaster areas which have been designated by the Secretary of Agriculture as the result of a finding (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans under regular FHA real estate or production loan authorities) at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

"Such loans may be made for any of the purposes for which regular FHA real estate or production loans may be made but only in the event of the three conditions noted above (1) that there has been a natural disaster in the area, (2) that agricultural credit is not available from any other responsible source, and (3) that the area has been designated as a disaster area by the Secretary of Agriculture. Inclusion of oyster planters in this disaster loan program would not make them eligible for regular FHA loans.

NEED FOR THE LEGISLATION

"The immediate need for the legislation is, of course, the disaster which has struck the oyster-producing area of the Atlantic coast as the result of the recent destructive storm. This storm washed over the outer sand barriers and into the bays and inlets where oysters are produced. It covered many

of the beds with sand, killing the oysters therein, and otherwise caused serious damage, if not complete destruction, of many of the oysterbeds. This will require rehabilitation of the beds, in some instances the establishment of a new rock bottom on which the oysters may grow, and certainly the replanting of the beds to new oysters.

"Oystermen are distinguished from other producers of seafoods in at least two respects: (1) Oysters do not travel from place to place but remain fixed at one locality after a very early stage of their development; and (2) most oysters are grown on legally designated plots of land beneath the surface of bays and salt water inlets which are marked by fixed boundaries and which either belong to the oyster planter or are leased from some State or other agency for the purpose of oyster production. In addition, oysters are planted, cultivated, and harvested much as any other agricultural crop and are ordinarily produced on land which has been specially prepared for that purpose.

In this connection, it will be noted that the committee has used the words "oyster planters" rather than "oystermen" to distinguish the operation described above from that of searching for oysters in the open sea and harvesting them from wild beds.

"The concept that oyster planters might be considered farmers under the provisions of the agricultural loan programs is not a new one. By the act of June 18, 1934 (12 U.S.C. 1131g-2) Congress authorized production credit associations, operating under the Farm Credit Administration, to make loans to oyster planters. The authority for FHA emergency loans contained in this bill does not duplicate this authority, since the emergency loan provisions of the act provide that such loans may not be made to any farmers (including oyster planters) if credit is available from other sources, including production credit associations.

COST

"Since the total amount of loans by the Farmers Home Administration is authorized from year to year by the Congress and since the emergency loans to oyster planters which might be made pursuant to the authority of this bill would come within that total authorization, there would not be any additional cost to the Government as the result of the enactment of this bill.

COMMITTEE AMENDMENT

"H.R. 946 was introduced on January 3, 1961, before the enactment in the Agricultural Act of 1961 of the Consolidated Farmers Home Administration Act of 1961. This act consolidated the many laws relating to FHA loan operation into one statute and repealed a number of previous statutes relating to specific parts of the loan program, including the act of April 6, 1949, which H.R. 946 would have amended. The committee amendment, therefore, merely applies the purpose of H.R. 946 to the law as it exists today."

AMENDMENT OF CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2182, House bill 12653.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 12653) to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be

insured under subtitle A of such act was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2220—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to increase from \$150 million annually to \$200 million annually the amount of loans which may be insured under the Consolidated Farmers Home Administration Act of 1961.

NEED FOR THE LEGISLATION

A substantial part of the FHA loan program for farmers is carried out by insuring loans made by private credit agencies which meet the standards and requirements of the Farmers Home Administration, rather than by the direct use of Federal funds. The current authorization for such loans, enacted as part of the Agricultural Act of 1961, limits the amount of insured loans in any fiscal year to \$150 million. The demand for insured loans was so great during the last previous fiscal year that the \$150 million annual insurance authorization was exhausted on May 11, 1962. This bill will permit FHA to meet this demand for agricultural credit at least for the current fiscal year by increasing the authorization for insured loans to \$200 million.

COMMITTEE AMENDMENT

The bill as introduced would have authorized an increase in the amount of insured loans to \$300 million. The Secretary of Agriculture in reporting favorably on the bill recommended that this be reduced to \$200 million and the committee has followed this recommendation.

COST

There will be no appreciable increase in administrative cost as the result of this legislation and, on the contrary, it will permit a substantial increase in FHA loans to farmers with the use of private funds rather than Federal funds.

AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2183, House bill 10708.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 10708) to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity, which had been reported from the Committee on Agriculture and Forestry, with an amendment on page 2, line 4, after the word "mean", to strike out "telegraph services or facilities, or community antenna television system services or facilities such service and facilities shall be limited to closed circuit television operations other than those intended" and insert "message telegram service or community antenna television system services or facilities other than those intended exclusively".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2184, House bill 12855.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments was considered, ordered to a third reading, was read the third time, and passed.

POLE MOUNTAIN DISTRICT

Mr. MANSFIELD. Mr. President, I ask that the Senate now proceed to consider Calendar No. 2185, Senate bill 3370.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3370) to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain district, which had been reported from the Committee on Agriculture and Forestry, with an amendment on page 1, line 3, after the word "authorized", to strike out "and directed to relinquish to the State of Wyoming all" and insert "to relinquish to the State of Wyoming such measure as he may deem desirable of legislative"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to relinquish to the State of Wyoming such measure as he may deem desirable of legislative jurisdiction heretofore acquired by the United States over lands within the Medicine Bow National Forest constituting the area known as the Pole Mountain District, created by Executive Order Numbered 4245, dated June 5, 1925, as amended by public land order numbered 1897, dated July 10, 1959.

(b) Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of Wyoming a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Wyoming in such manner as the laws of such State may prescribe.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FOOD AND AGRICULTURE ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2186, Senate bill 3756.

The PRESIDING OFFICER. The bill will be stated by title.

THE LEGISLATIVE CLERK. A bill (S. 3756) to amend section 309 of the Food and Agriculture Act of 1962.

Mr. MANSFIELD. Instead, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 13241, to amend section 309 of the Food and Agriculture Act of 1962. This bill was received only today from the House of Representatives; and, first, I ask that the bill be read twice.

THE PRESIDING OFFICER. Without objection, it is so ordered; and the Senate will now proceed to the consideration of House bill 13241, to amend section 309 of the Food and Agriculture Act of 1962.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 13241) was ordered to a third reading, read the third time, and passed.

THE PRESIDING OFFICER. Without objection, Senate bill 3756 will be indefinitely postponed.

Mr. MANSFIELD. Those are all the measures on the calendar which I wish to ask the Senate to consider at this time.

CONSERVATION NEWS CITES NATIONAL WILDLIFE FEDERATION'S BASIC PURPOSE OF ESTABLISHING AND MAINTAINING NATIONAL PARKS

Mr. YARBOROUGH. Mr. President—

Mr. HUMPHREY. Mr. President, how much time does the Senator from Texas wish?

Mr. YARBOROUGH. One minute.

Mr. HUMPHREY. I yield 1 minute to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, the Conservation News, a publication of the National Wildlife Federation, recently published a series of excellent articles dealing with the purpose and some of the problems of national parks.

Since this 87th Congress has established a record by legislation authorizing three national seashore recreational areas, opening up vast new areas to permanent public use, this article in the Conservation News will, I am sure, be of interest to my colleagues.

The three national seashore recreational areas established by this Congress are Point Reyes in California, Cape Cod in Massachusetts, and Padre Island, off the Texas Gulf Coast. The most recent of these to be approved was my bill for a national seashore recreational area on 80.5 miles of Padre Island.

Because of the interest in national parks and the concern of this 87th Congress over the need for preserving recreational areas for this and future generations and because of the difference in national parks, national seashore recreational areas, and national military parks, I ask unanimous consent to have printed in the RECORD an article, captioned "National Parks—A National Issue" from the October 1, 1962, edition of Conservation News.



Public Law 87-824
87th Congress, H. R. 12855
October 15, 1962

An Act

76 STAT. 947.

To amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended (1) by changing the language enclosed in parentheses in the first sentence of section 316(a) to read "(other than a Burley tobacco acreage allotment, and for the 1963 crop year, other than a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment)"; and (2) by striking the period and inserting at the end of the second sentence of subsection 316(b) the following: ": *Provided,* That no such lease shall be renewed for 1963 for cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco."

Tobacco.
Wisconsin acreage allotment.
75 Stat. 469.
7 USC 1314b.

Approved October 15, 1962.

